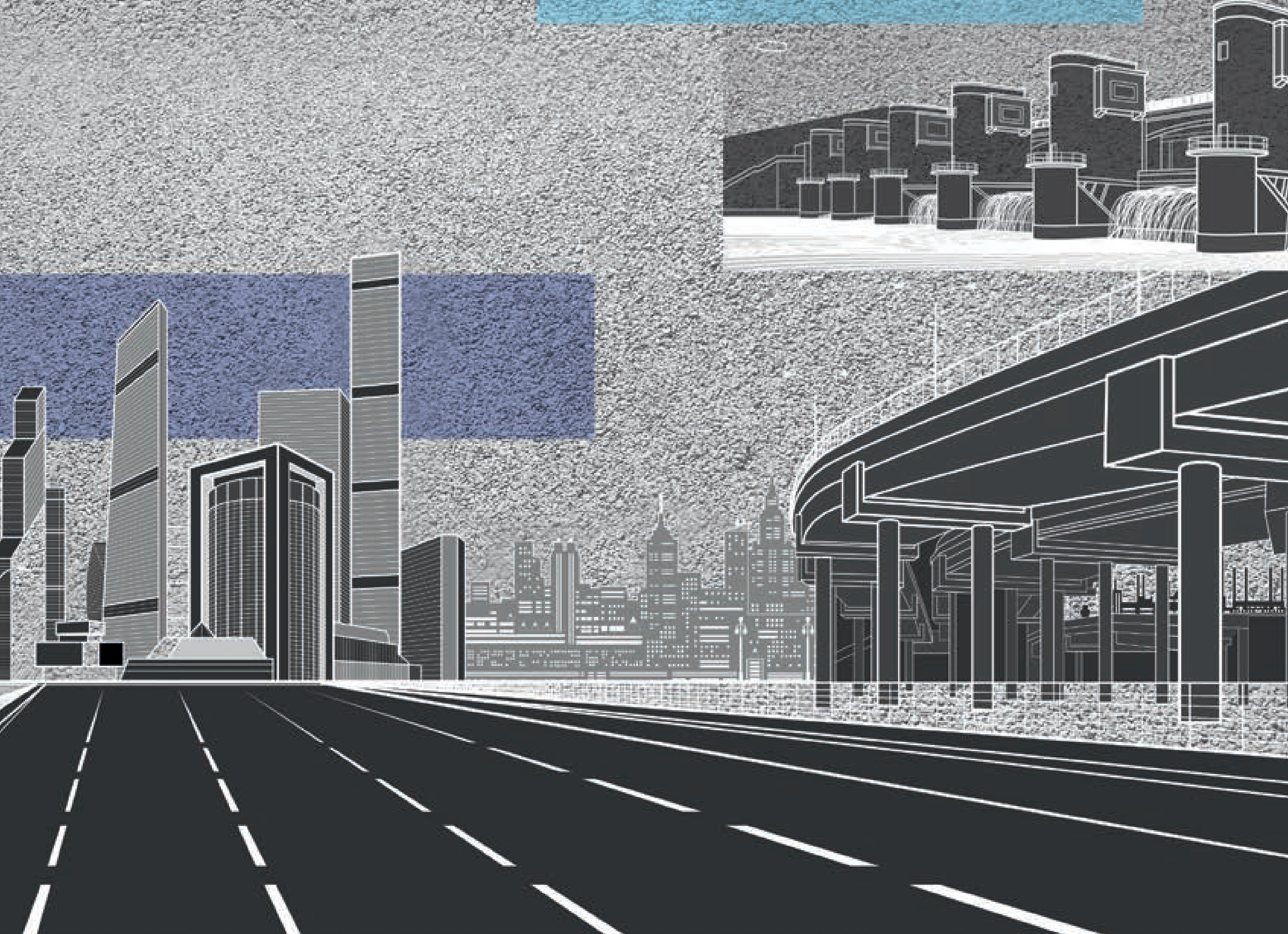
ANNUAL REPORT 2019-20

THE RAMCO CEMENTS LIMITED
RAMCO

SOLID FOUNDATIONS. SUSTAINED EFFORTS.



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Read online or download this report at **www.ramcocements.in**

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

Guided by his Values

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

Built by his Vision

"Lives of great men all remind us, we can make our lives sublime, and, departing, leaves behind us, footprints on the sands of time"

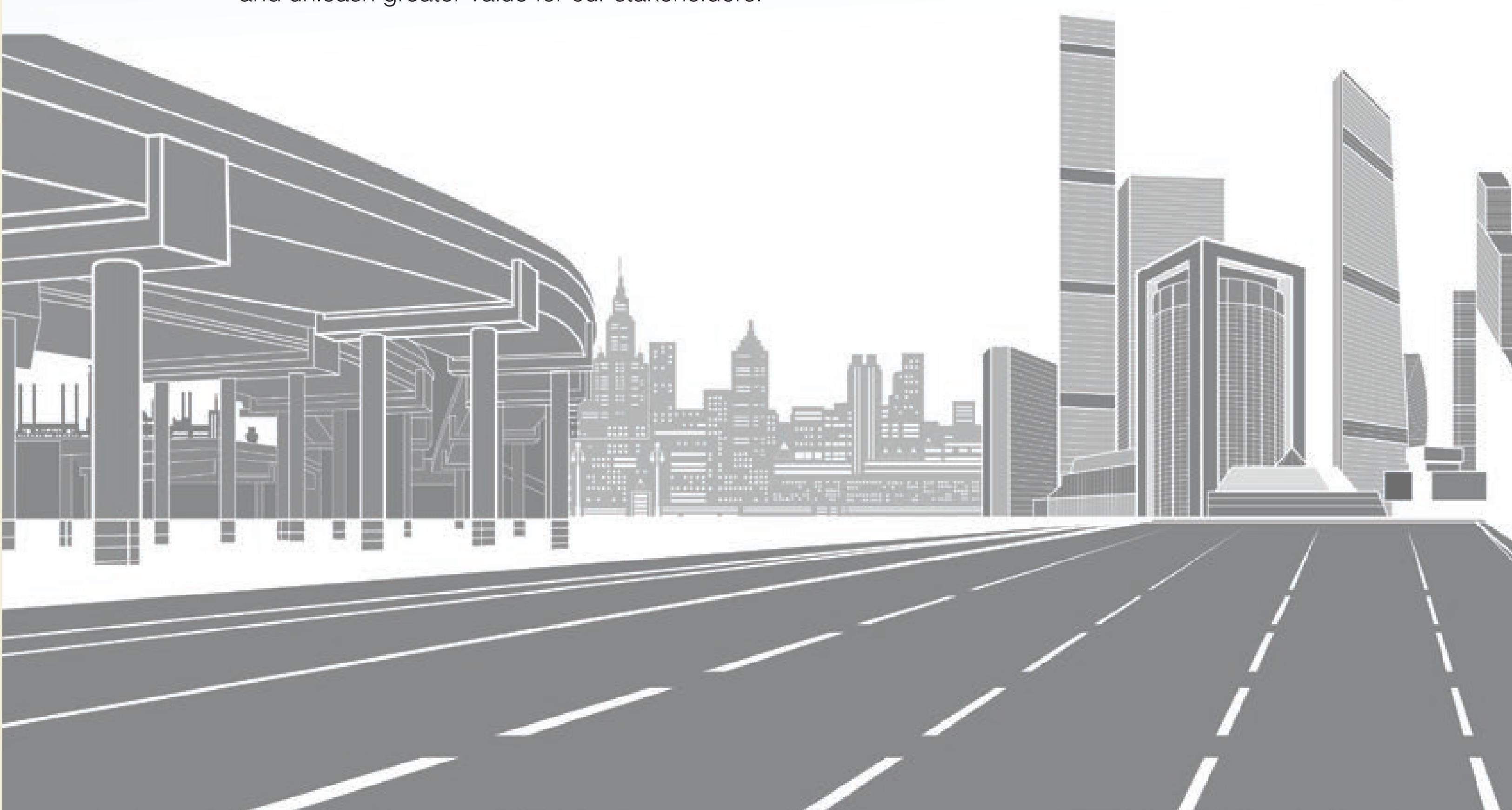
RAMCO CEMENTS IS A PERFECT CONFLUENCE OF UNCOMPROMISING TRADITIONAL VALUE SYSTEMS AND MODERN, STRATEGY-ORIENTED THINKING.

On one hand our enduring values form the core on which our solid foundation is built. It symbolises our ethos of forging binding relationships, unflinching commitment to integrity and foresight that determine our lasting success. On the other, our modern, strategic-oriented thinking powers us to a progressive trajectory underpinned by innovation, technology excellence and unrelenting passion to excel in a competitive industry with differentiated products and services.

Together they combine into a powerful and unique business structure that is strong and integrated enabling us to transcend iconic milestones of distinctive achievements and remain sustainable in the long-term.

Powered by our vision to build on our solid foundation, we are undertaking sustained efforts to move aggressively and persistently forward by understanding our customers' needs better. We are creating capacities and capabilities while entering strategic locations with high growth potential. We are reinventing ourselves to become a complete cement solution provider while focussing on premiumisation and differentiation. And we have mapped a strategic growth charter structured to capitalise on our strong foundations and culture of excellence.

At Ramco Cements, we are bolstering our core capabilities to ensure sustainable progress and unleash greater value for our stakeholders.



RAMCO CEMENTS IS THE COUNTRY'S 5TH LARGEST CEMENT PRODUCER AND THE MOST POPULAR BRAND IN SOUTH INDIA WITH GROWING PRESENCE IN EAST INDIA. WITH OUR HIGH-QUALITY AND WIDE PRODUCT PORTFOLIO FOR DIVERSE APPLICATIONS, WE ARE CATERING TO THE NEEDS OF INSTITUTIONAL CUSTOMERS AND INDIVIDUAL HOME BUILDERS AND CONTRIBUTING TOWARDS THE INFRASTRUCTURE DEVELOPMENT OF THE NATION.

WE HAVE FACILITATED EASE OF CUSTOMERS WITH ANYTIME AVAILABILITY AND LAST MILE DELIVERY OF PRODUCTS THROUGH OUR EXTENSIVE DEALER NETWORK.

Marquee projects where Ramco Cement has been used

Thevara Bridge (Kerala)

Sinclairs Tourist Resort
(Burdwan, West Bengal)

West Bengal Highway Corporation

Irrigation project by L&T
(Kalahandi, Odisha)

Ramco Cements:
Built on a Solid Value-Centric Foundation

Profile

Ramco Cements, headquartered in Chennai, commenced operations in 1961. The Company's main product is Portland cement, which is manufactured across its 10 state-of-the-art production facilities, including integrated cement plants and grinding units. We also produce Ready Mix Concrete and Dry Mortar products, alongside operating one of the largest wind farms in the country.

Our reputation

5th largest

Cement manufacturer in the country

Leading player

in South India

6 decades

of experience

12

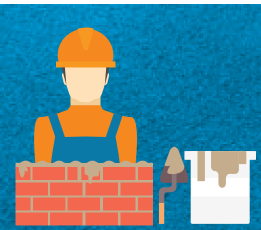
Products

3,327

People employed

Extensive customer base

Differentiation rooted in core values



Legacy of excellence, value delivery and trust

- Trusted by consumers and business value chain

Operational excellence and cost efficiencies

- State-of-the-art Research and Development centre and manufacturing facilities
- Proximity to raw material suppliers, end consumer markets and seaports
- Captive power sufficiency

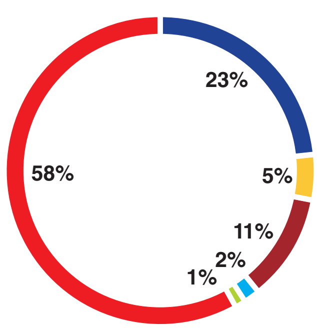
Large, satisfied customer base

- Value-added proposition of premium, high quality and value for money products and excellent services
- Providing right products for right application
- Insulates from the risk of being dependent on a single large customer

Value added by our business activities

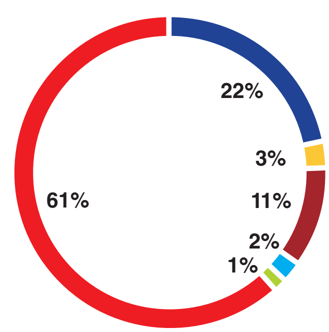
FY 2019-20

₹ 3,393.34 Crores



FY 2018-19

₹ 3,177.93 Crores



- Retained for business (including depreciation and deferred tax)
- Paid to employees as wages and benefits
- Contribution to the society
- Providers of debt
- Providers of equity capital
- Contribution to the national exchequer

Robust Information Technology platform

- Centralised control centre
- Hassle-free, real time supply chain management

Integrated operations

- Presence across value chain – procurement, manufacturing, marketing, logistics and distribution
- Better control on costs, processes, quality and productivity

Inclusive and sustainable progress

- Community welfare
- Environment-friendly operations, green products and compliance to regulatory requirements

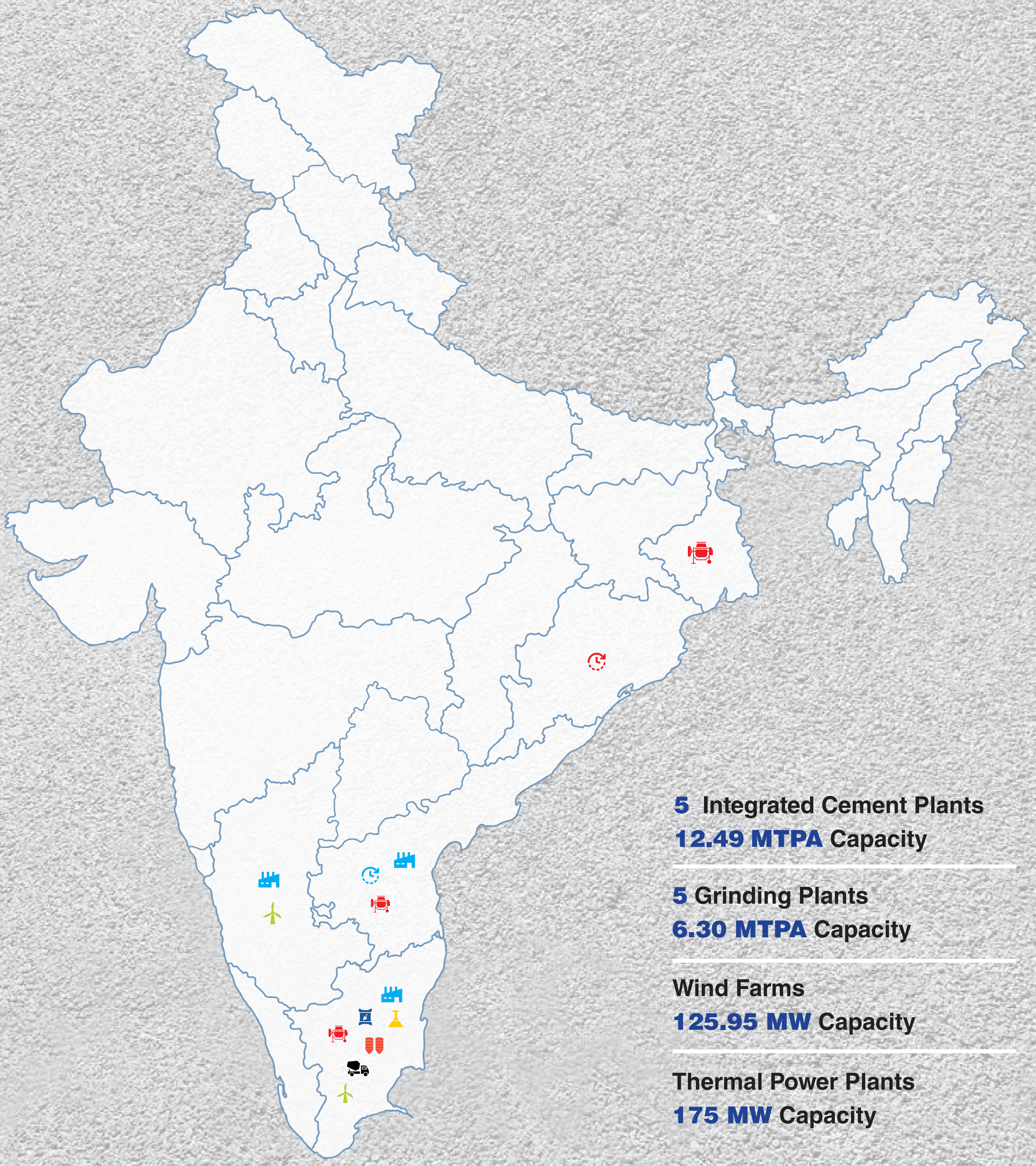
Extensive dealer network

- Direct dealing with many dealers, sub dealers and end users
- Focus on rural side to ensure deeper penetration

Delivering value creation for Stakeholders

Chairman & Managing Director, Shri.P.R.Venketrama Raja, addressing the gathering at the launch of RAMCO SUPERCRETE

Extensive Geographical Presence



5 Integrated Cement Plants
12.49 MTPA Capacity

5 Grinding Plants
6.30 MTPA Capacity

Wind Farms
125.95 MW Capacity

Thermal Power Plants
175 MW Capacity

Map not to scale, for illustration purpose only

Integrated Cement Plants
Ramasamy Raja Nagar, Virudhunagar District, Tamil Nadu.

Alathiyur, Cement Nagar, Ariyalur District, Tamil Nadu.

Govindapuram Village, Ariyalur District, Tamil Nadu.

Jayanthipuram, Kumarasamy Raja Nagar, Krishna District, Andhra Pradesh.

Mathodu, Hosadurga, Chitradurga District, Karnataka.

Upcoming
Kalavatala, Kurnool District, Andhra Pradesh.

Grinding Units
Kattuputhur Village, Uthiramerur, Kancheepuram District, Tamil Nadu.

Singhipuram Village, Valapady, Salem District, Tamil Nadu.

Kolaghat, Purba Medinipur District, West Bengal.

Gobburupalam, Amir Sahib Peta Post, Kasimkota Mandal, Vizag, Andhra Pradesh.

Kharagpur, Paschim Medinipur, West Bengal.

Upcoming
Haridaspur, Jajpur District, Odisha

Packing Plant
Kumarapuram, Kanyakumari District, Tamil Nadu.

Readymix Concrete Plant
Chennai, Tamil Nadu.

Dry Mortar Plant
Sriperumbudur, Tamil Nadu.

Ramco Research & Development Centre
Chennai, Tamil Nadu.

Wind Farms
Thandayarkulam, Tamil Nadu
Veeranam, Tamil Nadu
Muthunaickenpatti, Tamil Nadu
Pushpathur, Tamil Nadu
Udumalpet, Tamil Nadu
Vani Vilas Sagar, Karnataka
GIM II Hills, Karnataka

Growing Sustainably Over the Years

10-year comparison of Key Performance Parameters (FY 2010-11 vs FY 2019-20)

Net revenue from operations growth

2.04x

FY 2010-11
₹ 2,644.69 Crores

FY 2019-20
₹ 5,405.64 Crores

EBITDA growth

1.79x

FY 2010-11
₹ 657.31 Crores

FY 2019-20
₹ 1,173.82 Crores

Profit after tax growth

2.85x

FY 2010-11
₹ 210.98 Crores

FY 2019-20
₹ 601.09 Crores

Market capitalisation growth

4.98x

FY 2010-11
₹ 2,427 Crores

FY 2019-20
₹ 12,082 Crores

Net Worth growth

2.84x

FY 2010-11
₹ 1,734.51 Crores

FY 2019-20
₹ 4,918.56 Crores

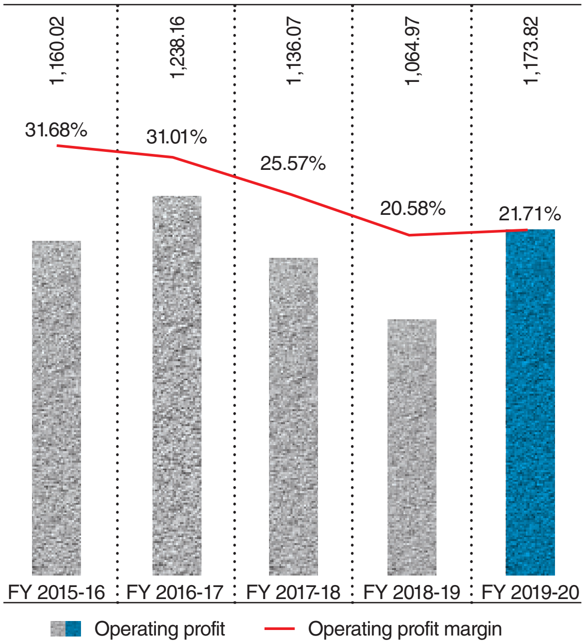
Gross fixed assets growth

1.96x

FY 2010-11
₹ 5,836.88 Crores

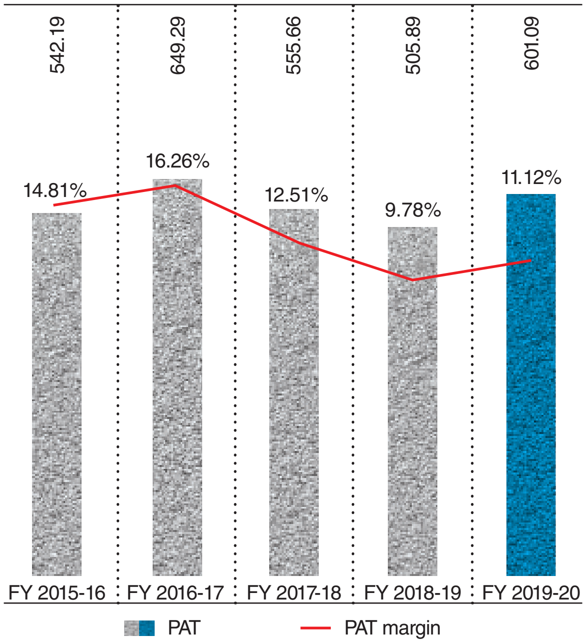
FY 2019-20
₹ 11,443.15 Crores

Operating profit and operating profit margin (₹ in Crores)



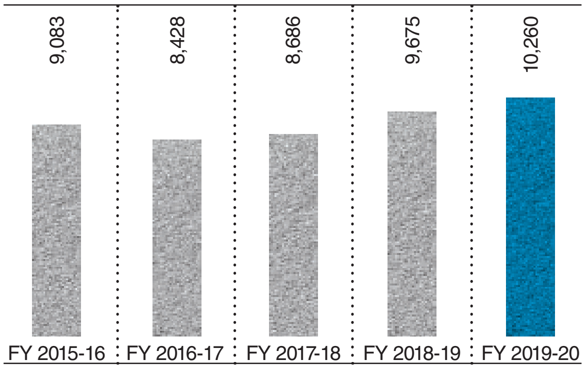
10% 20-year CAGR

PAT and PAT margin (₹ in Crores)



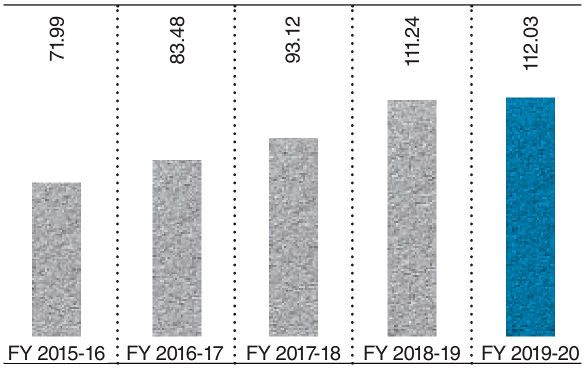
14% 20-year CAGR

Total power production (windfarm and power plants) (Lac Units)



Cement sales volume

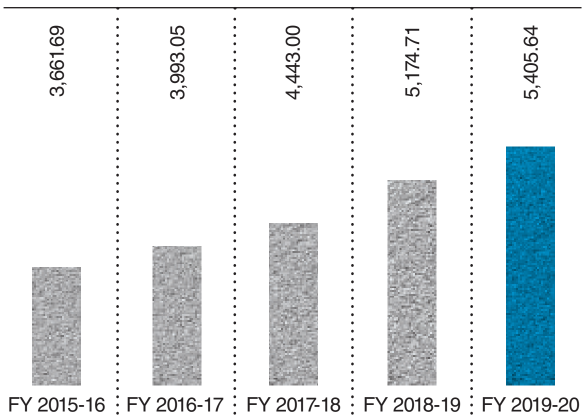
(Lac Tons)



7% 20-year CAGR

Net revenue from operations

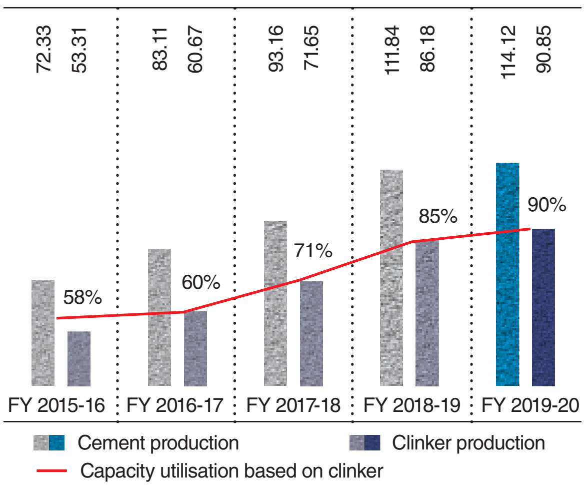
(₹ in Crores)



11% 20-year CAGR

Cement production and capacity utilisation

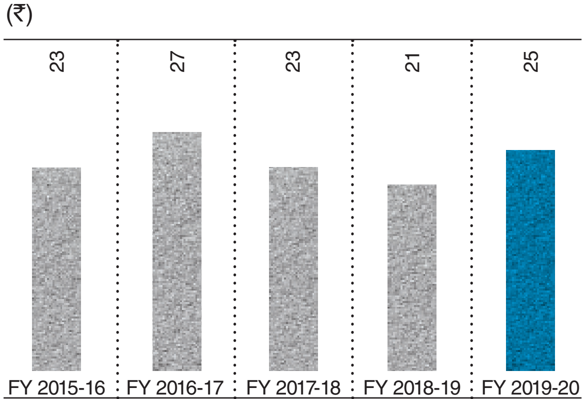
(Lac Tons)



8% 20-year CAGR of cement / clinker production

Earnings per share

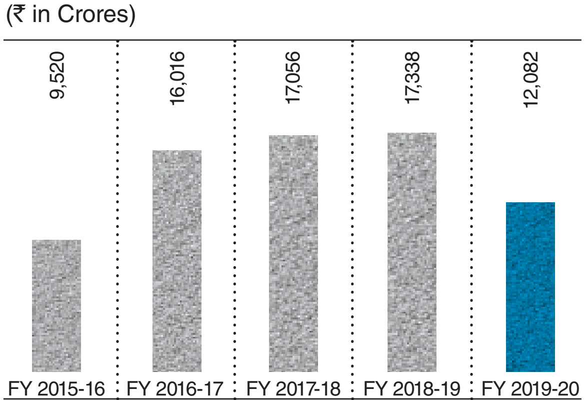
(₹)



10% 20-year CAGR

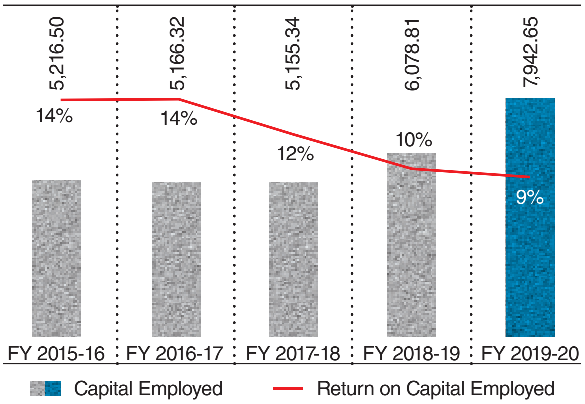
Market Capitalisation

(₹ in Crores)



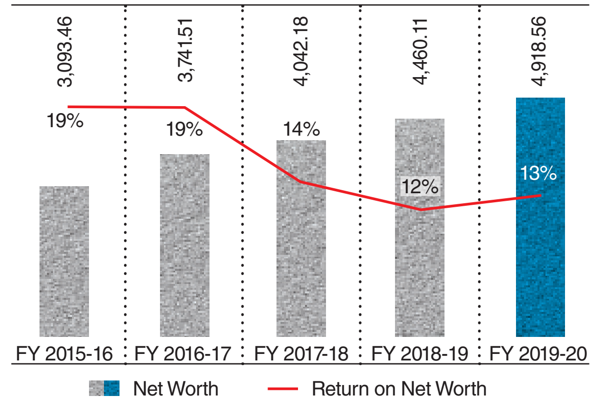
17% 20-year CAGR

Capital Employed and Return on Capital Employed (₹ in Crores)



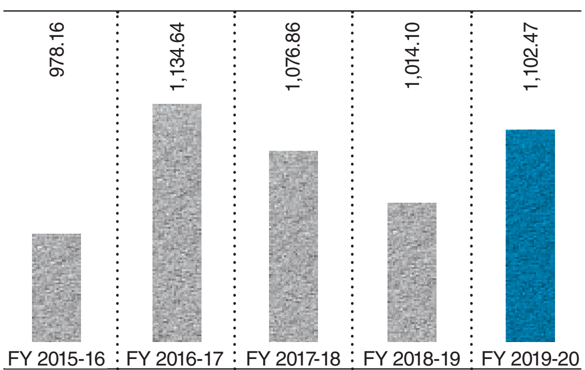
10% 20-year CAGR

Net Worth and Return on Net Worth (₹ in Crores)



13% 20-year CAGR

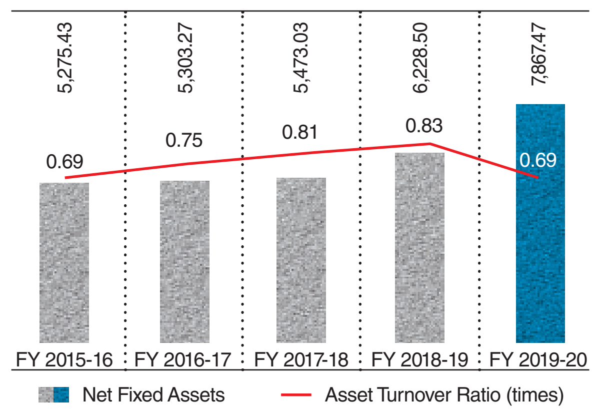
Net Cash Generation* (₹ Crores)



*profit before tax + depreciation

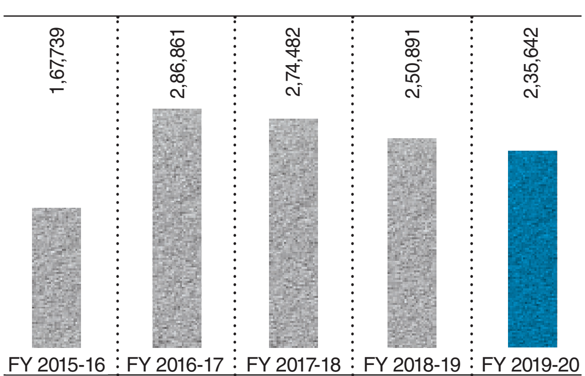
12% 20-year CAGR

Net Fixed Assets and Asset Turnover Ratio (₹ in Crores)

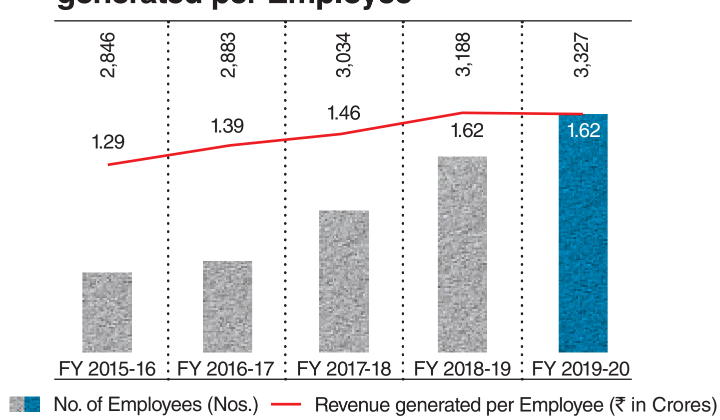


11% 20-year CAGR

Carbon emission reduction from windmills (Tons)

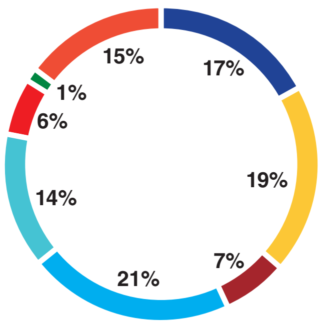


No. of Employees & Revenue generated per Employee

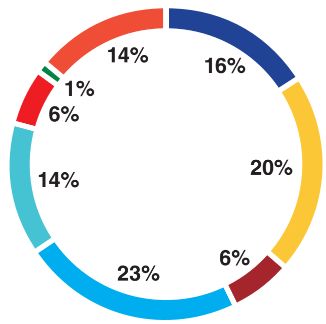


Cost analysis as a percentage of Revenue

FY 2019-20



FY 2018-19



- Cost of materials consumed
- Power and fuel
- Employee cost
- Freight and forwarding expense
- Manufacturing and other costs
- Depreciation
- Finance costs
- Profit before tax

Economic Value Added (EVA)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
1. Average Debt (₹ in Crores)	2,417.47	1,773.93	1,268.99	1,365.93	2,321.40
2. Average Equity (₹ in Crores)	2,869.33	3,417.49	3,891.85	4,251.15	4,689.34
3. Average Capital Employed (1) + (2) (₹ in Crores)	5,286.80	5,191.42	5,160.84	5,617.08	7,010.74
4. Cost of Debt, post-tax %	4.89%	3.80%	3.27%	3.81%	4.32%
5. Cost of Equity %	17.19%	17.35%	12.84%	10.64%	12.02%
6. Weighted Average Cost of Capital % (WACC)	11.57%	12.72%	10.48%	8.98%	9.47%
7. COCE: (3) x (6) (₹ in Crores)	**611.68**	**660.35**	**540.86**	**504.41**	**663.92**
8. Profit after Tax (₹ in Crores)	542.19	649.29	555.66	505.89	601.09
9. Add: Interest (₹ in Crores)	181.86	103.52	59.21	50.87	71.35
10. Add: Depreciation (₹ in Crores)	304.79	284.49	292.20	298.52	315.26
11. Net Operating Profits After Taxes (NOPAT) (₹ in Crores)	**1,028.84**	**1,037.30**	**907.07**	**855.28**	**987.70**
12. EVA: NOPAT – COCE (₹ in Crores)	417.16	376.95	366.21	350.87	323.78

Notes:
NOPAT = Profits after depreciation and taxes but before interest costs
COCE (Cost of Capital Employed) = WACC x Average Capital Employed
WACC = (Cost of Debt x proportion of Debt) + (Cost of Equity x 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 pay-out Ratio) * Return on Equity

Message from the Chairman

Dear Shareholders,

This is an unprecedented time like no other in our lives. The COVID-19 pandemic continues to drive uncertainty, stress and trauma. My heartfelt sympathies are to the many families who have been adversely impacted by COVID-19. At the same time, on behalf of all at Ramco Cements, my immense gratitude to all the doctors, medical staff members and the front-line staff at hospitals and to all the essential workers and volunteers for serving and caring for people in need.

While the pandemic has caused severe social crisis, its economic ramifications have also been manifold. It has pushed majority of global populace under lockdown and triggered global recession. The Indian economy too is no exception. Majority of sectors have been impacted, including the infrastructure segment which may see delays in investments due to fiscal constraints.

Though the near-term scenario may seem bleak, let us not forget that the country has risen stronger from many such past crises. Though recovery may take time, we are optimistic of the longer-term outlook. Measures by RBI to reduce repo rates and by the Government to roll out ₹ 20 Lac Crore economic-cum-relief stimulus package will help revive the economic engine.

The Indian cement industry which was already dealing with difficult economic scenario too was impacted. Lower government spending, liquidity crunch in the real estate along with monsoon issues and natural calamities led to a 1% decline in demand in FY 2019-20. Aggressive capacity addition by the industry players led to the capacity utilisation falling by an estimated 3-5 percentage points as demand slumped.

It is noteworthy that amidst this challenging scenario marked by sluggish demand and pressure on input costs, your Company delivered a steady performance. Our capex programmes largely remained on track. The grinding capacity at Kolaghat, West Bengal and Vizag, Andhra Pradesh have been successfully doubled and the establishment of greenfield grinding unit at Haridaspur, Odisha is all set to commission. The other projects of greenfield Cement Plant at Kalavatala and establishment of Line III at Jayanthipuram Cement Plant both in the State of Andhra Pradesh are scheduled for commissioning by the end of FY 2020-21.

This additional capacity comes on stream at a time when the demand is expected to be weak. Factors such as weak global demand, supply disruptions, grappling economy with lockdown and

It is noteworthy that amidst this challenging scenario marked by sluggish demand and pressure on input costs, your Company delivered a steady performance.

factory shutdowns and delayed capex cycle will impact the construction industry. However, we expect the demand to revive from the second half of FY 2020-21 with pick up in rural housing, Pradhan Mantri Awas Yojana (rural), Pradhan Mantri Gram Sadak Yojana and spending on key infrastructure projects. Our focus until then will be to stabilise operations at the newly commissioned plants and ensure steady progress of ongoing projects. More importantly, these plants being strategically located in the Eastern part of India will ensure faster recovery. This region is largely underpenetrated and thus has high growth potential compared to rest of our country.

I also believe that our ability to differentiate will ringfence us. Ramco Cements has been a company where manufacturing is largely accompanied by focussed investments in research, service and information technology. Our feet on the ground and decades of domain expertise enable us to understand the gaps in the market and anticipate needs which ensures consumer delight.

Our practical insights combined with superior technical research allows us to develop right and superior quality products. Our product bouquet comprises specific grades and types of cement that are customised for specific purposes and provide the required differentiation to consumers. With our technical advisory services, we ensure that the consumers use the right products for right applications in the right way which is essential to get maximum benefit out of it. Our MACE division comprising of a highly experienced technical team plays an invaluable role in this endeavour.

We are continuously undertaking research and investing in green energy to make our products and processes more sustainable.

Our robust information technology platform has been a true game changer. It enables us to run business efficiently and control operations end-to-end besides ensuring hassle-free supply chain management with real time information for just-in-time delivery.

Alongside business, Ramco Cements has been a strong proponent of environment protection and sustainable development with its 4P bottom line approach – Product, Profit, Planet and People. We are continuously undertaking research and investing in green energy to make our products and processes more sustainable. We are increasingly using IT in supply chain management for better planning and rationalising logistics which has reduced the number of truck movements. Our safety practices are benchmarked to global best practices. This was evident during the COVID-19 pandemic where we carried out regular temperature checking of employees and truck drivers along with carrying out sanitisation.

Our community engagements around education, health and skill development are contributing to holistic socio-economic development of villages.

I take this opportunity to congratulate the senior leadership and the team whose tireless efforts has led to a good performance even in tough times. It only goes on to show their dedication and passion. I also thank all our stakeholders for their continued support and the members of the Board for their guidance. Our efforts will continue to deliver sustainable growth and ensure value creation for all stakeholders.

Warm regards,

P R Venketrama Raja

Message from the CEO

Dear Shareholders,

I have lived through many a challenging time. One thing that I have learnt through each of them is while they test one's will and determination, they also provide extraordinary opportunities. COVID-19 is one such event. Until a few months back, the world was oblivious to the unprecedented crisis that was unfolding and would go on to disrupt businesses and life like never. And today, as we are navigating through the pandemic and witnessing its wrath, it is gratifying to see how the world has come together to overcome it. How people are adjusting and how companies are reshaping their business models to the new realities. Such times show the true strength of an organisation.

I am proud of our team at Ramco who have displayed immense fortitude and dedication to ensure business continuity and provide continuous support to customers every way possible. Our robust technology platform has played a critical role in these difficult times.

Performance review FY 2019-20

You will be happy to note that in spite the pandemic and other challenges like macro-economic slowdown and monsoon issues, your Company delivered strong performance even as the industry de-grew. Clinker production increased by 5.42% to 9.08 million tons (MnT) and cement production grew by 2.04% to 11.41 MnT.

Cement sales grew from 11.12 MnT to 11.20 MnT. With this, the net revenue from operations grew by 4.46% to ₹ 5,405.64 Crores. Costs were mostly under control with better management, though rupee depreciation offset some gains made.

As a result, bottom line growth was stronger. Operating profit grew by 10.22% to ₹ 1,173.82 Crores and PAT by 18.82% to ₹ 601.09 Crores.

9.08 MnT

Clinker production

5.42% ↑

11.41 MnT

Cement production

2.04% ↑

The market place for cement being very competitive, the company strives to offer the consumers the right cement for the right application. The company's robust R & D process leveraged its ability to innovate and diversify its offerings in various segments with wide spectrum of products. Our intensive research fostered by inputs on techno-commercial aspects based on market trials at various locations culminated in the development of two high value products viz., RAMCO SUPERCRETE, a premium blended cement, which is a crack resistant high strength cement and RAMCO INFRA, a speciality concept cement, meant for infrastructure projects demanding varied requirements of high strength applications. In collaboration with the manufacturing team these products were successfully launched across the company's core markets. The efforts of the Marketing and MACE team have helped to create the intended awareness among the consumers about the superior attributes of these products. The Logistics team ensured timely delivery of these products by devising the most optimal model for distribution even when the customers' requirements were in smaller lots. The concerted efforts have received tremendous response in the niche market, graduating the company from a cement-maker to a complete cement solutions provider. The development of these new products and its successful marketing, stand testament to the company's commitment to add value to its customers and would stand in good stead for the future of the company.

Capex update

On operational front, we continued with our expansion strategy in the Eastern markets, alongside consolidating position in the Southern markets. Our ambitious ₹ 3,500 Crore capex programmes across five sites in the South and East of India have majorly progressed as scheduled.

We have successfully commissioned the grinding unit capacity augmentation programme at Kolaghat, West Bengal and at Vizag, Andhra Pradesh with additional grinding line of 1.05 MTPA each. The establishment of 1 MTPA greenfield cement grinding unit at Haridaspur, Odisha is nearing completion.

These grinding units would enable us to expand markets in Andhra Pradesh, Odisha, Jharkhand and West Bengal. Their proximity to the fly ash and slag availability areas and major cement consumption markets would further economise transportation costs.

The clinker demand of these units will be met through our other ongoing projects. This includes an additional 1.5 MTPA clinkerisation capacity with a 27 MW WHRS at existing Jayanthipuram plant and a Greenfield cement unit at Kalavatala, Andhra Pradesh having a clinkerisation and grinding capacity of 2.25 MTPA and 1 MTPA respectively. The Kalavatala unit will also have a WHRS and Thermal power plant with an aggregate capacity of 30.15 MW along with railway siding. They are scheduled to be completed by the end of FY 2020-21.

On completion of all these projects, the aggregate grinding capacity at the satellite grinding units will increase to 7.30 MTPA and the aggregate cement manufacturing capacity at the integrated cement plants will increase to 13.49 MTPA and making a total of 20.79 MTPA.

Summing up

FY 2020-21 is going to be another challenging year for the cement industry. While the initial few months were impacted by COVID-19 related lockdown, the remaining months would see slower pick up as majority of Government spending gets channelised towards healthcare and supporting weaker sections of society.

We are, however, confident and optimistic of overcoming the challenge. The granularity in our customer base across many individual house builders and small buyers ensures revenue spread across large base and insulates us from risk of dependence on few large accounts. Also, a large portion of our capacities are now in eastern belt of country where we expect high growth potential.

We recognise the role that our industry plays in nation building, and remain committed to building a world-class cement company by driving excellence across all facets of business. We are strengthening our brand and people capabilities and are focussed on capitalising our strong service differentiation to penetrate new markets. We will continue to nurture our research and development activities and leverage our diverse portfolio comprising 12 different types of cement for various applications to target the right customer segment.

₹ 5,405.64 Crores

Net revenue from operations

4.46% ↑

₹ 1,173.82 Crores

Operating profit

10.22% ↑

We recognise the role that our industry plays in nation building, and remain committed to building a world-class cement company by driving excellence across all facets of business

I thank all our stakeholders for their support and trust in us. Ramco Cements is acknowledged as a trendsetting and pioneering company in India's cement industry and it has also set a trail of benchmarks when it comes to value creation for shareholders. We have a unique record of providing 30 years of uninterrupted dividend to our valued shareholders while delivering an average return of 17% which is amongst the best in the industry.

Value creation for shareholders will remain core to our business. Our robust business model with strong cash flows of ₹ 1,102.47 Crores and low debt : equity ratio of 0.61 as on 31st March 2020 provides sufficient headroom for growth and cushion to resist any shocks. Our priorities will be to efficiently market products and becoming debt-free entity in the next three years.

On a closing note, Ramco Cements has always weathered and grown irrespective of good times or bad, up cycle or down. Each member of the Board, our management and our employees remain focussed and committed to sustain this growth trajectory. Last but not the least, my sincere gratitude to all the employees. I am confident that together we will emerge much stronger and resilient in the future. In the meanwhile, please stay safe and healthy.

Warm Regards

A V Dharmakrishnan

Responding to the Need of the Nation

The disruption caused by the outbreak of COVID-19 pandemic has triggered a major global-wide social and economic crisis. Being in the middle of it and responding to it is challenging because of the uncertainty and short-term challenges. At Ramco Cements, we yet again demonstrated our social commitment by displaying resilience and responding with agility to the welfare of all our stakeholders and the nation at large.

The Company has set up Isolation Centre for treating the patients affected with COVID-19 near the Cement Grinding Unit at Haridaspur, Jajpur District in Odisha.

Ramco Cements worked in tandem with local administration and health authorities to help the most vulnerable communities during the COVID-19 pandemic.

Ensuring safety and health of employees and supply chain

Safety of employees is of paramount importance to us. For the team members whose work could be conducted remotely, work from home (WFH) facilities were made available during lockdown. Our team members have adapted to the new normal and WFH situation well and worked productively and effectively. For employees who had to be on-site, stringent social distancing, hygiene and disinfection protocols based on guidance from health authorities were adopted. This was also extended to our logistics partners. Some of these safety measures included:

- Disinfecting all vehicles coming into and leaving the factories
- Checking drivers' body temperatures and other symptoms of COVID-19 and providing Medical Certificate at the factory exit for their safe passage
- Screening of every person entering the factory

Caring for the community

Ramco Cements worked in tandem with local administration and health authorities to help the most vulnerable communities during the COVID-19 pandemic. Apart from donating to various relief funds, some of the notable actions to address on-ground challenges included:

- Setting-up isolation centres for treating the patients affected at Kadukur and Thamaraikulam in Tamil Nadu and near our plant at Haridaspur, Odisha
- Donating electrical accessories, steel cots, bed, pillows, awareness posters, flex boards to the Government Established Isolation Centres in Ariyalur and Virudhunagar Districts

The Kalavatala Project team had handed over Medical Aids comprising Digital Thermometers, Sanitisers, N95 Masks, Gloves, Caps, Aprons, etc. to Government of Andhra Pradesh. The items are being received by Shri. A. Kali Krishna Srinivas, Honourable Deputy Chief Minister and Minister for Health, Family Welfare & Medical Education, Shri. Buggana Rajendranath, Honourable Minister for Finance & Planning, Legislative Affairs and Shri.Gummanur Jayaram, Honourable Minister for Labour, Employment, Training, Factories.

We also proactively partnered with various state government administrations and mobilised and distributed basic amenities such as water, shelter, food and ration kits to needy families in villages around our operations by collaborating with district collectors, police, public health departments and panchayats. We also carried out sanitising with disinfectants across these villages as a safety measure.

Augmenting Capacities in Strategic Locations

Our capacity expansion projects at strategic locations reiterate our ability to identify right opportunities while harnessing our strong capabilities. They are aligned to our vision of becoming a geographically diversified entity to ensure sustainable progress and value creation for all our stakeholders.

We are strategically creating new grinding and clinkerisation capacities at a total cost of ₹ 3,500 Crores to tap the growth potential in the eastern region and establish ourselves as a major player. During FY 2019-20, we successfully commissioned 1.05 MTPA grinding capacity each in our existing Kolaghat and Vizag Grinding Units. Our greenfield 1 MTPA grinding unit at Haridaspur, Jajpur district, Odisha along with railway siding and wagon tippler is ongoing.

We are also creating clinkering capacities to serve the needs of the grinding units. We are establishing Line III at our existing Jayanthipuram Plant. It will have clinkerisation capacity of 1.5 MTPA and 27 MW WHRS.

A greenfield cement plant is being set-up at Kalavatala, Kolimigundla Mandal, Andhra Pradesh. It will have clinkerisation capacity of 2.25 MTPA, cement manufacturing capacity of 1 MTPA, 12.15 MW WHRS, 18 MW Thermal power plant and a railway siding. Both the projects are expected to be commissioned in the last quarter of FY 2020-21.

Grinding Units

Kolaghat Grinding Unit (brownfield)

Project cost: ₹ 386 Crores

Project details: 1.05 MTPA grinding line and railway siding

Project status: Mill commissioned, railway siding expected to complete by Q3 FY 2020-21

Vizag Grinding Unit (brownfield)

Project cost: ₹ 215 Crores

Project details: 1.05 MTPA grinding line

Project status: Commissioned

Odisha Grinding Unit (greenfield)

Project cost: ₹ 717 Crores

Project details: 1 MTPA grinding line, railway siding and wagon tippler

Project status: Expected completion by Q2 FY 2020-21

Integrated Units

Jayanthipuram Cement Unit (brownfield)

Project cost: ₹ 740 Crores

Project details: 1.5 MTPA clinkerisation capacity and 27 MW WHRS

Project status: Expected to complete by Q4 FY 2020-21

Kolimigundla Unit (greenfield)

Project cost: ₹ 1,600 Crores

Project details: 2.25 MTPA clinkerisation capacity, 1 MTPA cement manufacturing capacity, 12.15 MW WHRS, 18 MW thermal power plant

Project status: Expected to complete by Q4 FY 2020-21

Our capacity expansion in 10-years

Integrated Cement Plants	Satellite Grinding Units	Captive Power Capacity
1.19x	**3.23x**	**1.26x**
FY 2010-11 104.90 Lac Tons	**FY 2010-11** 19.50 Lac Tons	**FY 2010-11** 271.19 MW
FY 2019-20 124.90 Lac Tons	**FY 2019-20** 63 Lac Tons	**FY 2019-20** 340.79 MW
FY 2020-21 (E) 134.90 Lac Tons	**FY 2020-21 (E)** 73 Lac Tons	**FY 2020-21 (E)** 379.94 MW

"E" stands for Estimate.

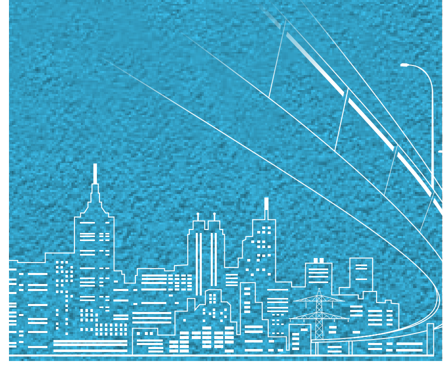
How these new projects will benefit

Establish new market
In the coastal districts of Andhra Pradesh and in Odisha, Jharkhand and West Bengal.

Reduce carbon footprint
With installation of 39.15 MW of waste heat recovery system

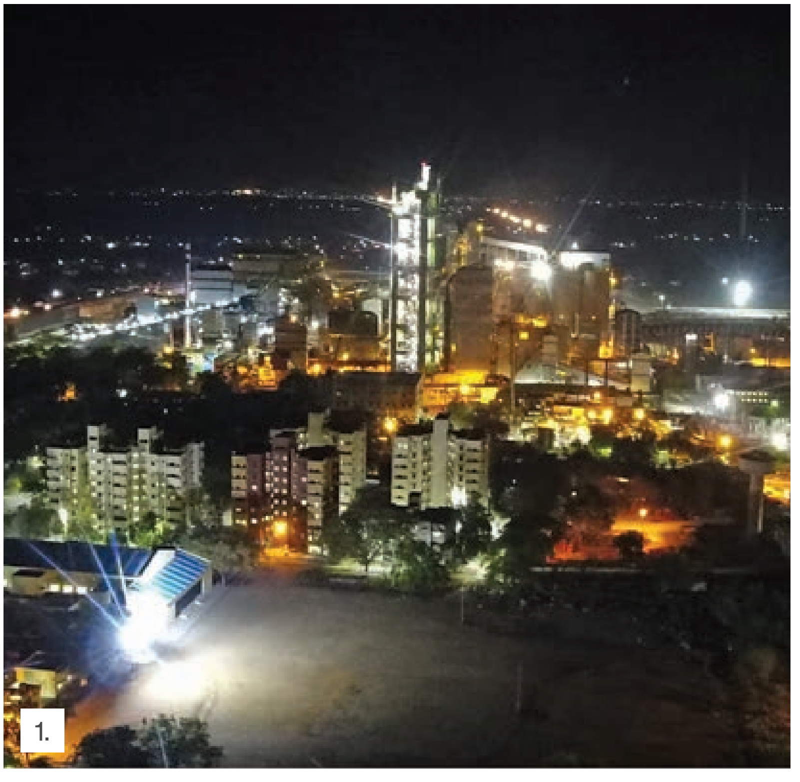
Strengthen in-house clinker availability
The additional clinkers produced at new units would meet the requirements of the grinding units.

Efficient supply chain and servicing
Proximity of grinding units to target markets will ensure supply chain efficiency and better servicing.



Our Existing Capacities

Integrated Units



1.
Ramasamy Raja Nagar
Virudhunagar, Tamil Nadu

2.
Alathiyur, Ariyalur, Tamil Nadu

3.
Govindapuram Village,
Ariyalur, Tamil Nadu

4.
Jayanthipuram,
Andhra Pradesh

Grinding Units

1.
Uthiramerur, Kancheepuram,
Tamil Nadu

2.
Valapady, Salem,
Tamil Nadu

3.
Kolaghat, Purba Medinipur,
West Bengal

4.
Gobburupalam, Vizag,
Andhra Pradesh

Building on Business Excellence

Our business is built on the strong foundation of operational, people and technology excellence triad. We are revisiting and rejuvenating all facets of our business excellence to reinforce this foundation and create a robust platform to deliver greater excellence and accelerate on our ambitious growth path.

Operational excellence

Cost leadership

We have one of the lowest cost of operations in the industry supported by our integrated operations right from mining to clinker production to grinding to marketing finished goods. Our plants are strategically spread across the southern and eastern coastal belt facilitating sea route transportation for imports and exports, and thus reducing inland transportation. We have invested in railway siding along with high-end automation equipment like wagon tippler, clinker / cement loading, etc. which enables us to maintain high levels of productivity with minimum handling cost and reduces cost of transportation.

Our plants are in proximity to raw material sources / end markets ensuring lower logistics movement. All our plants have captive power including wind farms, thermal power plants and WHRS thereby significantly reducing our power costs. Increasing use of alternate fuel and materials further help in reducing costs.

Efficient supply chain management

Our grinding plants being strategically aligned and having high storage capacity enable us to ensure anytime, anywhere cement availability. This is supported by our robust GPS-enabled, web-based technology application that connects sales offices with dealers. It facilitates in efficiently managing logistics, marketing and dealer networks to ensure hassle-free supply chain and real time inventory monitoring. The systems also contribute to rationalising logistics movement to ensure faster movement of goods at lower costs. With our robust system, we have the capability to fulfil all order delivering within 24 hours.

Robust distribution network

We have a very rich distribution network built over time on the foundation of trust, transparency of dealing and excellent value system. It is a result of this, that majority of our network are exclusive third generation dealers who have been associated with us since decades. At the same, we have also been able to continually expand the network of multi brand dealers and service them effectively.

Centralised monitoring with strong IT infrastructure

As a dynamic organisation, we are constantly investing in cutting-edge technologies which has facilitated in streamlining process and better management of operations across all stages. We are the first cement company in India to introduce Centralised Control Centre at our Corporate Office.

It facilitates centralised monitoring of all operational parameters across locations, resulting in improved productivity and lower downtime. Our IT platform has contributed to faster book closures, better transparency in processes, availability of real time data and guaranteed 24-hour delivery across country.

Major components of our IT platform

- Integrated ERP – Centralised ERP covering all business processes and supporting cloud mobility, location-based geo app
- Real time analytics – MIS, analytics and dynamic dashboards from single database

People

We are providing a collaborative environment to all employees across hierarchies to ensure sustainable progress. We nurture employees by providing learning and development opportunities, intensive skill trainings, and institutionalisation of engagement initiatives like quality circle, 5S, IMS, suggestion scheme and Kaizen. At our manufacturing locations, we have set-up integrated colonies that have all kinds of facilities to ensure the welfare and convenience of our people. We follow a meritocratic work culture which ensures high productivity from employees. Leadership development programmes are conducted in collaboration with prestigious institutions like Harvard Business School and Michigan ROSS School of Education to unleash and enrich the potential of senior employees.

Setting New Benchmarks of Sustainability

We are progressively aligning our business model, strategy and actions to the requirements of safety and sustainability. We are channelising our efforts towards making our products and processes more sustainable, optimising resource management, conserving biodiversity and reducing emissions to enhance sustainable performance. Nurturing our strong safety culture is also a key element of this effort.

Product and process stewardship

We have a strong R&D department which evaluates and analyses the impact of our products and processes on an ongoing basis. This helps us make our business process more sustainable and reduce carbon footprint by use of alternative materials and fuels in production process. We are presently undertaking research on the raw mix in production process to make it more energy efficient. Our flagship Super Grade brand is certified as Green Cement and has been conferred the 'GreenPro Award' by the Confederation of Indian Industry for adopting green measures across life cycle.

Bio divsersity conservation

All our plants have installed rainwater harvesting systems and undertake developing ponds and desilting lakes in their vicinity. We also ensure all sewage is treated and recycled for use in various purposes at plants and colonies. Our Pudupalayam North Mines has been awarded 5-Star rating from the Ministry of Mines for the second consecutive year for implementation of sustainable development framework.

Green energy

We are continually investing in sustainable energy generation to reduce our carbon footprint. We, along with our subsidiary, have a total of 165.785 MW of windmill capacity. We are also in the process of adding 39.15 MW of WHRS capacity at our new cement plants of which 21.15 MW will come on stream in FY 2020-21 and rest by FY 2021-22.

Managing waste and plastics with Ramco Recycles

Ramco Recycles is our waste management project initiated in association with Auroville to protect the environment around us. A team of Garbology experts came up with effective waste management techniques – reducing, reusing and recycling waste, segregating it at source and disposing it safely. To ensure its effectiveness, various waste management programmes were conducted across our office, factory and school locations to propagate the environment protection as a first step in waste segregation. We also worked closely with the Government of Tamil Nadu to introduce lessons on Garbology and 'No Plastics' in text books. Further, at our offices, we have redesigned the mechanism to implement effective waste management techniques and to reach the goal of 'Paperless Office' and 'Zero Waste'.

Core Team - Waste Segregation as part of the Waste Management

Active Participation in the Waste Management initiative across Ramco Group – A Big Team

We have contributed to protecting trees and ecosystem by saving huge quantum of papers, through conducting paperless Directors' meeting. Across the Company, many such paperless meetings were held, resulting in manifold savings.

Ramco Digiboard

Ramco Digi board is an initiative focussed on protecting trees by eliminating the use of paper. Under the initiative, we are ensuring that all meetings of the Board of Directors including its various committees are conducted completely paperless.

Adopting highest standards of health and safety

We have adopted globally accepted best safety practices across our manufacturing plants which are OHSAS certified. We continue to measure their effectiveness by monitoring key performance indicators and conducting regular safety audits through consultants based on which safety manuals are developed and initiatives implemented. We have a safety team across plants and also in corporate office to control and monitor the safety aspects of all the units. All newly recruited employees are inducted through a safety programme before putting them on the job.

Innovating across Products and Services for a Superior Customer Experience

Customers are at the centre of everything that we do. We are bringing to fore our decades of knowledge and R&D expertise and deep understanding of customers' needs to develop products and services to ensure superior experience. By doing this, we are ensuring a better future for our stakeholders.

Dedicated R&D centre to develop right cement products

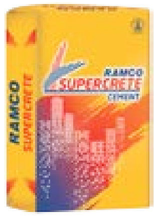
Our dedicated Research & Development (R&D) Centre comprises a strong team of scientists. They conduct extensive tests in cement and concrete to develop unique and sustainable products. The team is dedicated to developing solutions to address the challenges faced by the customers. The effectiveness of our R&D team is evident in our unique portfolio of 12 products that are developed to address specific requirements.

Co-partnering customer for customised solution

We are leveraging our R&D capability to innovate and differentiate with the 'right cement product for the right application' to offer customisation and unique value proposition to consumers. Our products find application in mega construction projects of institutional customers, Government-led infrastructure projects and individual home builders. We cater to the specific needs of each of these customer segments by providing high-quality right products and need-based solutions.

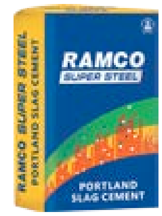
Our differentiated products and their uniqueness

Ramco Supergrade
For producing durable concrete with less heat of hydration and lesser lime leaching



Ramco Supercrete
High strength cement with low heat of hydration for crack-free concrete

Ramco Superfine EFC
For making concrete with high durability and enhanced impermeability



Ramco Super Steel
For high grade concrete in environment with extreme exposure conditions

OPC 53
For high strength concrete

OPC 43
For high strength concrete, suitable for cement sheet manufacturing and government works

OPC 53 INFRA
For all infrastructure projects like bridges, flyovers, tunnels which requires concrete with high slump retention

OPC 43 INFRA
For high strength and high slump concrete generally used for government works – For structures like nuclear power projects

Ramco Super Fast
A rapid hardening Portland Cement customised for manufacturing precast items like hollow blocks, solid blocks, paving blocks, fly ash bricks and other precast items

Ramco Super Coast
Suitable for concreting in areas with high concentration of sulphates

Karthik Super Plus
Blended cement for canal works and concreting where low heat of hydration is required

Ramco Samudra
For durable concrete with low heat of hydration

The all-new Ramco Supercrete premium blended cement

High strength, crack-resistant cement

Ramco Cements, which is in the midst of a massive capacity expansion, has introduced crack-resistant premium blended cement – Ramco Supercrete as we seek to graduate to a cement solution provider.

It addresses the need for high strength concrete and promises durability, making it ideal for infrastructure projects. It is engineered as an environment-friendly, crack-resistant cement with excellent workability and compatibility with m-sand.

Ramco Supercrete features

- Low heat of hydration
- Early hardening
- Good workability
- High ultimate strength
- Superior durability
- High m-sand compatibility

Masons, Architects, Contractors & Engineers - (MACE Division)

Providing value added services

Our MACE division is a unique attempt to provide on-site technical assistance to customers. It aims to enable our customers to get maximum benefits from our products by guiding them on correct practices using the right products for right applications and in the right manner. We provide engineering solutions for huge projects and after-sales support services to Individual Home Builders as well as mobile technical services. Being a free support service, it also contributes to significant cost savings for the customers.

Free mobile technical services

Free technical assistance through qualified civil engineers at every construction stage

Advice on making good quality concrete

Testing services

Providing reliable information to customers

The pandemic has restricted face-to-face business meetings and interactions with customers. Yet, understanding fully the necessity to engage with them, we provided a reliable platform in online webinars to enable leading industry experts and knowledgeable domain specialists to disseminate reliable information on prevailing trends and share good practices. We are confident that these online webinars will establish a foundation of goodwill and enhance the emotional connections with customers.

We were also instrumental in organising a 4-day virtual conference on the theme Recent Advances in Geotechnics in Infrastructure 2020. It was conducted in collaboration with Association of Consulting Civil Engineers & Indian Geotechnical Society, National Institute of Engineering, Mysore and Sri Jayachamarajendra College of Engineering, Mysore. This was the first time that this conference was conducted online with views exceeding 10,000.

Mr. Anil Kumar Pillai,
GM – Technical Services

One type of cement cannot fulfill various requirements of concrete. After interacting with customers who undertake various kinds of mega projects we had realised that the key to a good concrete is to define the requirements in terms of strength, workability and durability. Based on that we help the customers to select the most suitable cement out of our basket of 12 different types of cement. When we customise cement, based on applications we deliver the value proposition which is the aspiration of professionals from the construction industry. This not only ensures, construction of a high strength structure, but also economises the cost - A standing testimony for our Research & Development.

Mr. Suraj Kumar,
AGM – Technical Services

Our MACE Division – the Technical Services team comprising of Civil Engineers and Construction Experts, reach out to building sites, especially in rural areas where the awareness about good concreting practices is low. We had bridged this information gap through our team.

The series of webinars conducted during the COVID-19 lockdown, helped us to strengthen our relationship amongst construction professionals – both private and government. These webinars through discussion on various topics of Civil Engineering helped the Company to connect customer's customer - like the Architects and Consultants with major projects or Individual projects/House builders.

Aiming Higher with New Opportunities

We are optimistic of the massive opportunities panning in the industry with Government's increased thrust on infrastructure development. We have created capacities and capabilities, optimised operational efficiency and are scaling our value-added offerings to capitalise on the opportunity and grow in market share.

Opportunities in the industry

₹ 102 Lac Crore

of planned infrastructure spending in 5 years (FY 2019-20 to FY 2024-25)

Amrut Mission

Target to provide basic amenities and build amenities in cities

Pradhan Mantri Gram Sadak Yojana

Widening and revamping 1,25,000 km of roads in rural areas during FY 2019-20 to FY 2024-25

100 Smart Cities Mission

Projects worth over ₹ 2 Lac Crore across 100 cities

Housing for All

Target to provide house to all citizens by 2022 envisaging 20 million houses in urban areas and 40 million in rural areas

Growing Responsibly

We constantly endeavour to empower the communities around which we operate through focussed activities encompassing healthcare, education and skill enhancement for holistic socio-economic development. We remain committed to scaling the impact of our social outreach to deliver deeper and more meaningful engagement.

The Oath of responsible growth
Growth perused for its own sake is meaningless in a society where social and environmental costs of enterprise are keenly calibrated. We have taken the oath of responsible growth – growing and contributing in the economic, social and environmental fronts. It is an oath that we reiterate every year, in all that we do in our CSR activities.

Afforestation programme on the eve of World Environment Day at our Jayanthipuram Plant.

Environment protection and sustainable livelihood
We undertook Agro-forestry initiative 'Replicating farmer's best practices' to mitigate global warming and empower farmers. It involved combining agriculture (growing crops) and forestry (growing trees) as a better land use management system contributing to carbon sequestration, more food crops, increased biodiversity and reduced soil erosion. It provided sustainable source of income to farmers directly as well as to many landless farmers indirectly.
Our Ariyalur unit planted 20,000 trees with the help of farmers by training them on tree cultivation and conservation farming. 17 villages and over 35 acres of land were covered under this agro-forestry initiative by planting four different tree species of Indian Lilac, Rosewood, Red Sandal and Teak. The project ensures sustainable development in the surrounding areas.

Our Ariyalur unit planted 20,000 trees with the help of farmers by training them on tree cultivation and conservation farming

The Ariyalur plant had conducted Inter school painting competition in association with The Hindu. More than 250 students from 73 schools from Ariyalur District participated in the painting competition on varying topics like, Save Water, Global Warming, Garbage Free Ariyalur, Plogging, Roof Garden in my house, etc. The programme had brought out the thoughts of youngsters about their understanding of science and environment.

We also collaborated with Auroville, Puducherry and trained many new generation professionals in the Ecological horticulture course to protect and enhance biodiversity.

Education

Our educational initiative is focussed on creating and enabling an environment that is conducive to develop children and young people as responsible citizens. We are achieving this through our educational institutions that provide quality education to rural children near our factories. These institutions have state-of-the-art laboratories, smart classrooms, language and math lab, audio visual room and training room besides having science parks that are accessible to students from rural government schools.

We also provided financial assistance to support various educational institutions including:

- Government and Zila Parishad schools for developing school infrastructure
- Chennai Mathematical Institute, a centre of excellence for teaching and research in the mathematical sciences for their R&D projects
- Reach for The Stars Scholarship Program that develops educational skills in youths in villages surrounding Auroville, Puducherry
- Auroville Institute of Applied Technology, Puducherry
- Establishment of Jaigopal Vidyalaya School, Paruthipattu, Tamil Nadu

We organised life enhancement programmes with experts for health and hygiene and motivational classes to children of government schools. Skill development training was provided to enhance employability skills of educated rural youths. Donation was given to Bagaria Foundation and Arus Foundation for educational purposes. We also contributed to Aram Valartha Nayaki Sevai Mayyam for supporting education of children in slums of Chennai.

Healthcare and sanitisation

Our healthcare initiatives are focussed on enhancing the facilities in Government Hospitals, conducting medical camps, building community toilets, addressing sanitation needs and inspiring healthy lifestyles. Focussed on this larger initiative, we have undertaken several measures in rural areas to promote integrated healthcare.

We have successfully imbibed preventive healthcare practices and inculcated health awareness among the beneficiaries in villages near our plants. We also donated Maruti Eeco Care Ambulance to Ariyalur Police Station, sanitary napkin incinerators to Government Schools and hearing aid machines for deaf students. Provision of toilets and SMART toilets along with focussed behaviour change strategy was carried out across communities. This has improved health standards and eliminated open defecation.

Training was provided to adolescent girls and women on menstrual hygiene practices. Arrangements were made for distributing Health Care Guides for educating the pregnant mothers on childcare. We addressed child nutrition, sanitation and agricultural livelihood among the tribals of Kalrayan Hills. RO plants were installed for providing safe drinking water benefiting over 1 Lac people in rural areas.

RO plants were installed for providing safe drinking water benefiting over 1 Lac people in rural areas.

"Asia's Best CSR Practices Award" from CMO Asia, Singapore

At the Awareness Symposium "World Population-2019" held at Virudhunagar on 11th July 2019, the Company had released a booklet for Prospective Mothers about the Nutrition and the precautions to be followed by them. In the symposium, a Nutrition kit containing dry fruits and other items was also distributed to them. The booklet was released by Mr. A.Sivagnanam, IAS, Collector, Virudhunagar District.

Inspiring young minds

Our Ariyalur unit organised two initiatives in the district to encourage young minds and drive their thoughts about their understanding of science and environment. Veettukku Oru Vignaani (A Scientist in Each Home) was organised in association with Puthiya Thalaimurai TV Channel. Under the programme, 400 students from various schools participated and exhibited around 200 models. They also came up with unique ways of saving and improving the environment and road safety measures. Another initiative was the Inter school painting competition conducted in association with The Hindu. In this, more than 250 students from 73 schools participated on varying topics like – Save Water, Global Warming, Garbage Free Ariyalur, Plogging, Roof Garden in my house, etc.

Support in natural calamities

We have always been on the forefront during natural calamities to offer relief and recovery support assistance by aligning with government officials. During the floods in Kerala caused by cyclones, our officials, with the assistance of our extensive dealer and transport network, provided various relief measures, including door-to-door distribution of water, food and other essential items. We also contributed for restoration of homes.

Rural development

We donated cement for the Government of India's Pradhan Mantri Awas Yojana scheme that aims at providing affordable housing to below poverty line people. This benefited 120 families in Adhanakurichi, Dalavoi, Alathiyur, Manakkudayan and Tular panchayats in Ariyalur district.

"Overall CSR Excellence Award" from ZEE Business, Bengaluru

Our educational initiative is focussed on creating and enabling an environment that is conducive to develop children and young people as responsible citizens

The Ariyalur plant had conducted a Science Development Programme – Veettukku Oru Vignaani (A Scientist in Each Home) in association with Puthiya Thalaimurai TV Channel. In this programme, 400 Students from Government and Private Schools in Ariyalur District had participated and around 200 models were exhibited by them. The young minds came up with unique ways of saving and improving the environment and road safety measures.

We have undertaken a project along with EcoPro team of Auroville to address issues of child nutrition, sanitisation, water safety and livelihood. Under the initiative, we have provided ecological sanitisation (EcoSan) toilets and promoted sustainable agriculture and organic farming among the tribals. Plans are underway to use humanure from EcoSan toilets for organic farming, designing crop rotation, mixed farming, undertaking water harvesting, providing nutritional food supplement and promoting other livelihood opportunities through animal husbandry.

Awards and Accolades

Our continued display of exemplary performance across all facets of business have won us multiple awards in operational, environmental, CSR, and health and safety parameters.

Shri.A.V.Dharmakrishnan, CEO, receiving the “Professional Excellence Award” from His Excellency, the Governor of Tamil Nadu, Shri.Banwarilal Purohit, at the Corporate Governance Summit, organised by Institute of Directors, on 14th September 2019.

I dedicate this award to our Former Chairman,
Shri. P. R. Ramasubrahmaneya Rajha for the valuable guidance and mentorship provided by him throughout my carrier.
- A. V. Dharmakrishnan

The Jayanthipuram plant was awarded “Best Supporting Organisation Award” by the Quality Circle Forum of India, Hyderabad Chapter. The Award was presented by Honourable Vice President of India, Shri. M. Venkaiah Naidu.

Our Ramco Vidyalaya, Virudhunagar in Tamil Nadu received the Green Award from Tamilnadu Pollution Control Board. The Award was presented by Hon’ble Chief Minister of Tamil Nadu Shri. Edappadi K. Palaniswami at Chennai.

The Ramasamy Raja Nagar plant was presented with Green Award from Tamilnadu Pollution Control Board. The Award presented by Hon’ble Chief Minister of Tamil Nadu, Shri. Edappadi K. Palaniswami at Chennai.

The awards show the recognition by the Government, Professional Bodies, etc. for the Company's spirit of excellence.

The Ariyalur Plant had won the Overall CSR Excellence Award organised by ZEE Business on the National CSR Leadership Congress. The award was presented to the Company by Mr.Advait Kumar Hebbar, Head – Corporate Services & CSR, IndusInd Bank at Bengaluru and Mr. Sanjay Deshpande, Executive Director, Clearford India Pvt Ltd on 18th September 2019.

The Company was given Certificate of Appreciation for its excellent contribution towards Corporate Social Responsibility. The Certificate was presented by Thoothukudi Collector, Mr. Sandeep Nanduri, IAS.

The Alathiyur plant had been awarded Certificate of Commendation for achieving Excellence in the field of Environment for the years 2017-18 and 2018-19 at the 16th NCB International Seminar for Cement, Concrete and Building Materials. The award was presented by Dr. B. N. Mohapatra, Director General of National Council for Cement and Building Materials in December 2019.

The Alathiyur unit had been awarded "19th Annual Greentech Environment Award 2019". This award was conferred by Greentech Foundation, New Delhi. The award was presented to the Company on 11th July 2019 at New Delhi during the 19th Annual Greentech Sustainability Conference, on Sustainability, Environment Protection, Waste Management, Water Treatment and CSR issues being faced by industries, and corporates and the ways to overcome the challenges.

Board of Directors

Shri. P. R. Venketrama Raja
Chairman and Managing Director

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

Shri. R.S. Agarwal
Independent Director

He is a graduate in Chemical Engineering. He started his career in 1965 and served in various capacities with a leading paper mill of Northern India for 9 years. He was then associated with Industrial Development Bank of India (IDBI) for 28 years and retired as its Executive Director. He has been on the Board of The Ramco Cements Limited since 2006. He is also on the Board of Ramco Industries Limited, Ramco Systems Limited and Suryalakshmi Cotton Mills Limited.

Shri. M. B. N. Rao
Independent Director

He is a graduate in Agriculture and holds 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 the year 1970 as a Probationary Officer with Indian Bank. He subsequently 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 the Chairman & Managing Director of Canara Bank, from where he retired. He has been on the Board of The Ramco Cements Limited since 2009. He is also on the Board of KG Denim Limited, Taj GVK Hotels and Resorts Limited and Apollo Hospitals Enterprises Limited.

Shri. M. M. Venkatachalam
Independent Director

He is a graduate in Agriculture from the University of Agricultural Sciences in Bangalore and an MBA from the George Washington University, USA. He has 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. He is also a Director of Coromandel International Limited, E.I.D Parry (India) Limited, Ramco Systems Limited, Coromandel Engineering Company Limited.

Smt. Justice Chitra Venkataraman (Retd.)
Independent Director

She is a graduate in Economics from Ethiraj College, Chennai, and B. L. from Law College, Chennai. She started her practice at Madras High Court and specialised in Direct and Indirect tax laws. She was appointed as Government Pleader during the period 1991 to 1995 and thereafter as the standing counsel for Income Tax for about 10 years. She was elevated as Judge of Madras High Court in 2005 and retired in April 2014. She has been on the Board of The Ramco Cements Limited since 2015. She is also on the Board of Ramco Industries Limited and Lakshmi Machine Works Limited.

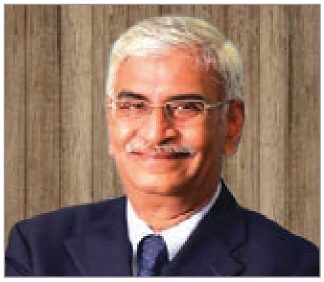
Shri. M. F. Farooqui, IAS (Retd.)
Independent Director

He holds a Master's Degree in Physics and Business Administration. He had spent 36 years as 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. He has been on the Board of The Ramco Cements Limited since 2017. He is also on the Board of TVS Electronics Limited.

Shri. M. S. Krishnan
Independent Director

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. He holds a Bachelor's Degree in Mathematics, a Master's Degree in Computer Application, and has done MS and Ph.D. in Industrial Administration. His research interest includes 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. In 2004, he was selected as one of the top thinkers on Business Technology by Information Week-Optimise magazine based on their reader surveys. He has been on the Board of The Ramco Cements Limited since 2019.

Leadership Team



Mr. A. V. Dharmakrishnan
Chief Executive Officer

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.

Mr. 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.

Mr. 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.

Mr. 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.

Mr. K. Selvanayagam
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 inhouse management training programmes and the large CSR functions of the Company are his added responsibilities.

Senior Executive Team

We have a robust team of experienced people who bring in their expertise in diverse fields. Their management and specific skills have helped create a strong organisational foundation and is paving the way for long-term sustainable growth.

Mr. Raghuram Devarakonda
Chief Operating Officer

Mr. Ramakrishnan R
President - Marketing

Mr. Ravishankar N
President - Manufacturing

Mr. Sai Kumar M J
Sr. Vice President - HR

Mr. Jayakumar K
Sr. Vice President - Marketing

Mr. Ramalingam S
Sr. Vice President - Mfg.

Mr. Prabhu Nambiappan
Sr. Vice President - HR

Mr. Ashish Kumar Srivastava
Sr. Vice President - Mfg.

Mr. Chidambaram M
Sr. Vice President - Administration

Mr. Reddy Nagaraju
Sr. Vice President - Projects

Mr. Santhana Krishnan V
Vice President - Works

Mr. Ramaraj S
Vice President - Administration

Mr. Murthy Rao S V R K
Vice President - Process

Mr. Ramanathan N R
Vice President - Works

Mr. Ravichandran C
Vice President - Liaison and CSR

Mr. Renjit Jacob Mathews
Vice President - Marketing

15-Year Highlights

Particulars	UOM	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Clinker Capacity	Lac Tons	42.09	42.09	44.67	62.82	74.47	74.47	90.97	90.97	91.47	91.47	91.47	101.09	101.09	101.09	101.09
Clinker Production	Lac Tons	36.60	40.50	43.56	49.49	61.23	55.73	56.02	63.23	65.39	56.67	53.31	60.67	71.65	86.18	90.85
Clinker Capacity Utilisation	In %	87%	96%	98%	79%	82%	75%	62%	70%	71%	62%	58%	60%	71%	85%	90%
Cement Capacity																
- Integrated Plants	Lac Tons	59.90	59.90	79.90	99.90	104.90	104.90	104.90	124.90	124.90	124.90	124.90	124.90	124.90	124.90	124.90
- 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
Total Cement Capacity	Lac Tons	59.90	59.90	79.90	99.90	124.40	124.40	124.40	155.40	155.40	164.90	164.90	164.90	166.90	166.90	187.90
Cement Production	Lac Tons	47.11	56.68	58.46	65.26	80.26	73.05	75.22	84.75	85.90	76.96	72.33	83.11	93.16	111.84	114.12
Cement to Clinker Ratio	In Times	1.29	1.40	1.34	1.32	1.31	1.31	1.34	1.34	1.31	1.36	1.36	1.37	1.30	1.30	1.26
Cement Sales Volume	Lac Tons	47.28	56.67	58.21	65.28	79.54	72.48	75.04	83.60	85.97	76.68	71.99	83.48	93.12	111.24	112.03
Windfarms																
- Capacity	In MW	45.84	63.79	136.00	181.59	185.59	159.19	159.19	159.19	125.95	125.95	125.95	125.95	125.95	125.95	125.95
- Generation	Lac Units	378	657	1,426	2,611	4,116	3,572	2,855	3,247	2,667	2,106	1,643	2,747	2,624	2,426	2,268
Net Revenue	₹ In Crores	1,013.35	1,581.69	2,021.35	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
EBITDA	₹ In Crores	215.52	563.50	761.76	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
Blended EBITDA per Ton	In ₹	456	994	1,309	1,216	1,103	907	1,292	1,253	755	1,043	1,611	1,483	1,220	957	1,048
Finance Costs in P & L	₹ In Crores	34.35	22.83	51.70	110.01	150.87	139.28	158.45	178.51	188.13	193.81	181.86	103.52	59.21	50.87	71.35
Profit before Tax	₹ In Crores	115.27	468.57	616.80	545.42	530.44	297.26	557.42	588.21	154.34	356.43	673.37	850.15	784.66	715.58	787.21
Profit after Tax	₹ In Crores	79.02	308.02	408.29	363.52	353.68	210.98	385.11	403.65	137.70	242.35	542.19	649.29	555.66	505.89	601.09
Cash generation	₹ In Crores	180.46	540.47	710.07	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
No. of Employees	Numbers	1,686	1,955	2,260	2,447	2,583	2,593	2,626	2,787	2,937	2,883	2,846	2,883	3,034	3,188	3,327
Revenue generated per Employee	₹ In Crores	0.60	0.81	0.89	1.01	1.09	1.02	1.24	1.39	1.28	1.29	1.29	1.39	1.46	1.62	1.62
CSR Expenditure	₹ In Crores	1.32	1.10	1.72	4.39	4.47	4.32	9.38	32.75	16.84	7.80	6.66	7.28	10.93	17.97	14.99
Contribution to Exchequer	₹ In Crores	321.37	561.07	609.54	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	1,952.12	1,966.69
Gross Fixed Assets (including CWIP)	₹ In Crores	1,651.83	1,977.42	3,290.93	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	11,443.15
Equity Share Capital	₹ In Crores	12.08	12.08	11.90	23.80	23.80	23.80	23.80	23.80	23.80	23.81	23.81	23.81	23.56	23.56	23.56
Face Value per Share	In ₹	10	10	10	1	1	1	1	1	1	1	1	1	1	1	1
Debt	₹ In Crores	602.44	677.33	1,635.64	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
Networth	₹ In Crores	390.00	664.83	950.86	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
Capital Employed	₹ In Crores	992.44	1,342.16	2,586.50	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
Profitability Ratios																
EBITDA Margin	In %	21.27%	35.63%	37.69%	32.11%	31.10%	24.85%	29.78%	27.04%	17.21%	21.44%	31.68%	31.01%	25.57%	20.58%	21.71%
P B T Margin	In %	11.38%	29.62%	30.51%	22.07%	18.80%	11.24%	17.12%	15.19%	4.09%	9.55%	18.39%	21.29%	17.66%	13.83%	14.56%
P A T Margin	In %	7.80%	19.47%	20.20%	14.71%	12.54%	7.98%	11.83%	10.42%	3.65%	6.49%	14.81%	16.26%	12.51%	9.78%	11.12%
Return on Capital Employed	In %	11.26%	28.34%	23.42%	15.05%	12.92%	8.12%	11.71%	11.88%	6.24%	8.10%	13.66%	14.48%	11.88%	9.86%	9.48%
Leverage Ratios																
Debt to EBTIDA	In Multiples	2.80	1.20	2.15	3.10	2.93	4.25	2.79	2.55	4.51	3.39	1.83	1.15	0.98	1.52	2.58
Debt Equity Ratio	In Multiples	1.54	1.02	1.72	1.98	1.67	1.61	1.32	1.12	1.18	1.03	0.69	0.38	0.28	0.36	0.61
Debt Service Coverage Ratio	In Multiples	2.48	6.08	7.36	2.89	1.53	0.46	0.65	1.13	0.66	0.77	0.56	1.30	2.23	4.52	2.90
Interest Service Coverage Ratio	In Multiples	4.38	16.46	12.90	3.85	4.01	2.70	3.70	3.81	1.60	2.36	4.70	9.21	13.25	9.58	5.56
Liquidity Ratios																
Current Ratio	In Multiples	1.17	1.34	0.99	1.52	1.97	1.47	1.14	1.34	1.23	1.21	1.24	1.27	1.13	1.07	1.06
Average Receivable days	In Days	17	13	11	11	16	23	21	24	29	33	42	47	41	33	34
Average Inventory days	In Days	42	26	33	42	48	56	50	51	62	59	53	51	47	39	41
Average Payable days	In Days	12	12	16	16	18	23	17	15	20	24	23	22	21	18	20
Cash to Cash Cycle (C2C)	In Days	47	27	28	37	46	56	54	60	71	68	72	76	67	54	55
Market Ratios																
Earnings per share	In ₹	65	255	343	15	15	9	16	17	6	10	23	27	23	21	25
Dividend per share	In ₹	15.00	25.00	40.00	2.00	2.00	1.25	2.50	3.00	1.00	1.50	3.00	3.00	3.00	3.00	2.50
Dividend Distributed	₹ In Crores	18.14	30.24	48.03	47.66	47.66	29.79	59.58	71.49	23.83	35.75	71.49	70.75	70.74	70.74	58.95
Dividend Payout Ratio	In %	23%	10%	12%	13%	13%	14%	15%	18%	17%	15%	13%	11%	13%	14%	10%
PE Ratio	In Multiples	33	11	10	5	8	12	10	15	37	30	18	25	31	34	20
Market price per share																
- High	In ₹	2,245	3,750	5,072	198	140	134	169	274	261	380	428	728	831	879	884
- Low	In ₹	932	1,745	2,500	55	70	85	76	134	135	205	279	396	648	547	466
- As at 31st March	In ₹	2,164	2,730	3,349	71	122	102	154	254	215	305	400	673	724	736	513
Market Capitalisation	₹ In Crores	2,614	3,297	3,986	1,700	2,897	2,427	3,659	6,045	5,117	7,265	9,520	16,016	17,056	17,338	12,082
Networth per share	In ₹	323	550	799	52	65	73	86	100	104	111	130	157	172	189	209

THE RAMCO CEMENTS LIMITED

Board of Directors

Shri.P.R.VENKETRAMA RAJA, B.Tech.
Chairman & Managing Director

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.F.FAROOQUI, IAS (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

Bankers

Canara Bank
Citi Bank
HDFC Bank Ltd
ICICI Bank Ltd
IDBI Bank Ltd
IDFC First Bank Ltd
Kotak Mahindra Bank Ltd
Standard Chartered Bank
State Bank of India
The Federal Bank Ltd
The Hongkong and Shanghai Banking Corporation Ltd

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 62nd Annual General Meeting (AGM) of the Company will be held at 10.00 AM on Monday, the 7th September 2020. 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 2020, 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 Shri.P.R.Venketrama Raja (DIN: 00331406), who retires by rotation, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri.M.S.Krishnan (DIN 08539017), appointed as an Additional Director of the Company in the category of Independent Director on 03-09-2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment, be and is hereby appointed as a Director of the Company, under Independent Director category for a period of 5 consecutive years from the date of his appointment, viz. 03-09-2019."

4. 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 ₹ 4,50,000/- (Rupees Four lakhs fifty thousand only) exclusive of GST and Out-of-pocket expenses, payable to M/s.Geeyes & Co., Cost Accountants appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2020-21 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,**

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

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 this AGM through VC, in view of COVID-19 virus outbreak. The AGM would be conducted in accordance with the

   General Circulars No: 14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by Ministry of Corporate Affairs, Government of India and

   Circular No: SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, 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. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.

4. 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.

5. 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.

6. 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.

7. 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/Company) to the mail id: investorgrievance@ramcocements.co.in Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. 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: investorgrievance@ramcocements.co.in. These queries will be replied by the company suitably by email.

9. 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.

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

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

   * The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

   * A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

   * Alternatively Non Individual shareholders are 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 and to the Company at the above mentioned email address of the Company, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

10. 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.

11. Proxies are not being sent to shareholders, as the meeting is being conducted through VC.

12. 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.

   * Requesting the members who have not registered their E-Mail addresses with the Company, to get the same registered with the Company.

13. The cut-off date will be 31-08-2020, for determining the eligibility to vote by remote e-voting or in the AGM.

14. 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
2012-13	Final Dividend	29-07-2013	28-07-2020	26-08-2020
2013-14	Dividend	28-07-2014	27-07-2021	25-08-2021
2014-15	Dividend	06-08-2015	05-08-2022	01-09-2022
2015-16	Dividend	11-03-2016	10-03-2023	08-04-2023
2016-17	Dividend	04-08-2017	03-08-2024	01-09-2024
2017-18	Dividend	03-08-2018	02-08-2025	31-08-2025
2018-19	Dividend	08-08-2019	07-08-2026	06-09-2026
2019-20	Interim Dividend	03-03-2020	02-03-2027	01-04-2027

15. 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.

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

17. 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.

18. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [LODR] the Company is providing members remote e-voting facility to exercise their right to vote at the 62nd AGM and the business may be transacted through such voting, through e-voting services provided by CDSL.

II. The facility for remote e-voting shall remain open from 9.00 AM on Friday, the 4th September 2020 to 5.00 PM on Sunday, the 6th September 2020. 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. Monday, the 31st August 2020, may opt for remote e-voting. Remote e-voting shall not be allowed beyond 5.00 PM on 6th September 2020.

III. The facility for voting, through electronic voting system shall be made available at the time of meeting and members attending the meeting through VC and who have not already cast their vote by remote e-voting shall be able to exercise their right during the meeting. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

IV. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The instructions for e-voting are as under:

a. To log on to the e-voting website www.evotingindia.com

b. To Click on "Shareholders" module.

c. Now enter your User ID as given below:

* For CDSL: 16 Digits beneficiary ID,

* For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

* Members holding shares in Physical Form should enter Folio Number registered with the Company (or)

Alternatively, if the Member has already registered for CDSL's EASI/EASIEST e-services, he can log-in at https://www.cdslindia.com from Login - Myeasi using the login credentials. On successful log-in to CDSL's EASI/EASIEST e-services, the Member should click on e-Voting option and proceed directly to cast the vote electronically.

d. Next enter the Image Verification as displayed and Click on Login.

e. Password

* If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

* If you are first time user follow the steps given below:

Enter your 10 digit alphanumeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders).

f. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio No./Client ID in the PAN field.

g. In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. after the first two characters of the name in CAPITAL letters. Eg. If your name is Vasudevan with Folio No. 1 then enter VA00000001 in the PAN Field.

* Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format.

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

If both of the above details are not recorded with the depository or Company, please enter the User ID/ Folio Number (mentioned above) in the Dividend Bank details field. After entering the required details, click on the "SUBMIT" tab.

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

i. For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

j. Click on the relevant EVSN for THE RAMCO CEMENTS LIMITED on which you choose to vote.

k. 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.

l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.

m. 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.

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

o. You can also take a print of the voting done by you by clicking on "Click here to Print" option on the Voting page. It need not be sent to the Company.

p. If you have forgotten the changed password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.

q. Members can also cast their vote using CDSL's Mobile App "m-Voting". This App can be downloaded from the Google Play Store or Apple App Store. Please follow instructions as prompted by the Mobile App while casting your vote through remote e-voting.

r. Process for those shareholders whose email addresses are not registered with the Depositories / Company for obtaining login credentials for e-voting:

i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) and Specimen Signature duly attested by the Bank Manager, where the Member is operating his bank account [the attestation should clearly carry the particulars of the bank manager, viz. his staff serial number, name and branch details], by email to Company.

ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master list or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) and Specimen Signature duly attested by the Bank Manager, where the Member is operating his bank account [the attestation should clearly carry the particulars of the bank manager, viz. his staff serial number, name and branch details], to Company email id.

iii. Company shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

s. In case you have any queries or issues regarding attending AGM & e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at http://www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). Alternatively, members may write to the Company Secretary at email id: investorgrievance@ramcocements.co.in or contact at telephone number: 044-28478666.

19. 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 31-08-2020.

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

21. 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.

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

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

STATEMENT PURSUANT TO SECTION 102 OF THE ACT

Item No: 3

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee had appointed Shri.M.S.Krishnan, (DIN 08539017) as Additional Director under Independent Director category on 3rd September 2019.

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.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 92 of the Articles of Association of the Company, Shri.M.S.Krishnan holds office as Additional Director up to the date of the forthcoming AGM.

The resolution seeks Members' approval for his appointment as an Independent Director for 5 consecutive years from the date of his appointment.

He has furnished a declaration pursuant to section 149(6) of the Companies Act, 2013 that he meets the criteria of independence and is hence eligible for appointment as an Independent Director. In the opinion of the Board, Shri.M.S.Krishnan fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

He holds no shares in The Ramco Cements Limited.

The Board of Directors is of the opinion that his vast knowledge and experience will be of great value to the Company and hence recommends the Resolution for your approval.

A copy of the letter of appointment issued to Shri.M.S.Krishnan would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri.M.S.Krishnan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are interested in this Resolution.

The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of LODR.

Item No: 4

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 19-06-2020, the Board had approved the appointment of M/s.Geeyes & Co., Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of cement and generation of wind energy, for the financial year 2020-21. The Board had approved a remuneration of ₹ 4,50,000/- (Rupees Four 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.

BOARD'S REPORT

Your Directors have pleasure in presenting their 62nd Annual Report and the Audited Accounts of the Company for the year ended 31st March 2020.

(₹ in Crores)

Financial Results	Separate Financials	
	Year ended 31-03-2020	Year ended 31-03-2019
Revenue (Net of Duties and Taxes)	5,405.64	5,174.71
Operating Profit: Profit before Interest, Depreciation and Tax (PBIDT)	1,173.82	1,064.97
Less: Interest	71.35	50.87
Profit before Depreciation and Tax (PBDT)	1,102.47	1,014.10
Less: Depreciation	315.26	298.52
Profit before Tax	787.21	715.58
Less: Tax Expenses		
Current Tax	139.02	189.44
Current Tax adjustments of earlier years	0.24	(4.83)
Deferred Tax	74.28	10.97
MAT Credit recognition	(36.74)	-
Deferred Tax adjustment of earlier years	9.32	14.11
Profit After Tax	601.09	505.89
Other Comprehensive Income for the year [Net of tax credit of ₹ 3.68 Crores (PY: ₹ 1.53 Crores)]	(7.81)	(2.68)
Total Comprehensive Income for the year (TCI)	593.28	503.21

CHANGES IN CAPITAL AND DEBT STRUCTURE

The paid-up capital of the Company is ₹ 23,55,76,780/- consisting of 23,55,76,780 shares of ₹ 1/- each. There has been no change in the Capital Structure of the Company during the year under review.

The Company does not have any Scheme for issue of sweat equity to the employees or Directors of the Company.

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

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

(a)	Name of the Series	7.12% Series A Debentures TRCL 2021	7.25% Series B Debentures TRCL 2021
(b)	Date of issue and allotment of the securities	20-12-2019	20-12-2019
(c)	Number of securities	1000	950
(d)	Type of issue	Private Placement	Private Placement
(e)	Details of the debt restructuring pursuant to which the securities are issued	Not Applicable	Not Applicable
(f)	Issue price – per instrument	₹ 10 lakhs	₹ 10 lakhs
(g)	Coupon rate	7.12%	7.25%
(h)	Maturity date	18-06-2021	20-12-2021
(i)	Amount raised	₹ 100 Crores	₹ 95 Crores

(a)	Name of the Series	6.90% Series C Debentures TRCL 2022	7.00% Series D Debentures TRCL 2023
(b)	Date of issue and allotment of the securities	28-02-2020	28-02-2020
(c)	Number of securities	1000	1000
(d)	Type of issue	Private Placement	Private Placement
(e)	Details of the debt restructuring pursuant to which the securities are issued	Not Applicable	Not Applicable
(f)	Issue price – per instrument	₹ 10 lakhs	₹ 10 lakhs
(g)	Coupon rate	6.90%	7.00%
(h)	Maturity date	26-08-2022	26-05-2023
(i)	Amount raised	₹ 100 Crores	₹ 100 Crores

DIVIDEND

Your Directors at the Board Meeting held on 03-03-2020 have approved payment of Interim Dividend of ₹ 2.50 per share on the Equity Capital of the Company. Your Directors recommend this to be the total dividend for the year. For the previous year, the Company had paid a dividend of ₹ 3.00 per share. The total dividend for the year amounts to ₹ 58.95 Crores as against ₹ 70.74 Crores for the previous year. Inclusive of Dividend Tax of ₹ 12.12 Crores (PY: ₹ 14.54 Crores), the total outgo is ₹ 71.07 Crores (PY: ₹ 85.28 Crores).

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:

http://ramcocements.net/ramcocements/pdffiles/policies/DIVIDEND%20DISTRIBUTION%20POLICY%202016.pdf

The Dividend Distribution Policy forms part of this Report.

TRANSFER TO GENERAL RESERVES

After appropriations, a sum of ₹ 200 Crores has been kept as retained earnings of the Company and a sum of ₹ 437.88 Crores has been transferred to General Reserve. As on 31-03-2020, the General Reserve stands at ₹ 4,668.74 Crores.

TAXATION

For the year ended 31-03-2020, the Company has made current tax provision of ₹ 139.02 Crores under MAT as against ₹ 189.44 Crores under regular method in the corresponding period of previous year. Current tax adjustments of earlier years is ₹ 0.24 Crore as against ₹ (-) 4.83 Crores during the previous year.

The deferred tax for the year ended 31-03-2020 is ₹ 74.28 Crores as against ₹ 10.97 Crores in the previous year. MAT credit recognised during the year ended 31-03-2020 is ₹ 36.74 Crores. Deferred tax adjustments during the current year pertaining to earlier years is ₹ 9.32 Crores as against ₹ 14.11 Crores during the previous year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

MACROECONOMIC REVIEW

Global Economy

The global economy grew by 2.9% in Calendar Year (CY) 2019 as compared to 3.6% in CY 2018. Rising trade barriers, weak manufacturing activity and a slowdown among major EMDEs (Emerging Markets and Developing Economies) especially India contributed to the moderation in growth. The EMDEs grew by 3.7% (4.5% in CY 2018) and advanced economies by 1.7% (2.2% in CY 2018). Moving into CY 2020, with world faced by an unprecedented crisis, COVID-19 pandemic, economies of all countries are likely to degrow leading to 4.9% decline in global economy. The impact would be stronger in countries struggling to contain the infection rate. Beyond the pandemic, global cooperation will be important to resolve trade and technology tensions to ensure faster recovery.[1]

Indian Economy

The Indian economy grew by 4.2% in FY 2019-20 as against 6.1% in FY 2018-19. The year started with weakness in financial sector, low investment and consumption confidence and eventually culminated with one of the deadliest pandemics whose impact was greater than anticipated.

Industrial and services sector reported slower growth at 0.9% and 5.5% respectively as compared to 4.9% and 7.7% respectively in the previous year. The automobile sector continued its contraction, while bank credit remained tepid, confirming the weakness of demand.

A sharp decline in oil prices did benefit the economy, however its impact was short-lived with prices gradually firming up as oil producing countries agreed to cut production. Also, with the Government hiking duties and VAT, the benefit was not passed on to consumers.

The only silver lining has been the agriculture and allied sector which grew by 4% as compared to 2.4% in FY 2018-19 led by a 3.7% increase in foodgrains production. The forecast of a normal monsoon by the India Meteorological Department (IMD) for 2020 sowing season augurs well for agriculture output and farm incomes.

Going into FY 2020-21, the macroeconomic scenario will continue to be challenging. With uncertainty about the pandemic and extended lockdown, the downside risks to domestic growth remain significant. However, positive measures like rollout of stimulus package and structural reforms by the Government and proactive liquidity management and easing of monetary policy by RBI will provide some support. The economic activity is expected to recover gradually from the second half of the year 2020-21. The IMF expects the country's GDP to contract by 4.5% in 2020 and eventually pick up momentum and grow by 6% in 2021.[2]

CEMENT INDUSTRY REVIEW

FY 2019-20 has been a challenging year for the Indian cement industry. The industry produced 334.48 million tonnes (MnT) of cement in FY 2019-20 as compared to 337.32 MnT in FY 2018-19. This translates into a de-growth of 0.84% as against 13.3% growth witnessed in the previous year. Sales revenue witnessed a marginal growth of 1.3% as prices remained firm. Weak macro-economy and real estate sector along with liquidity crisis and lower credit flow resulted in subdued demand. With large capacity expansion in the previous years, the capacity utilisation of the industry declined from 70% in FY 2018-19 to around 65-67% in FY 2019-20.[3]

Future Outlook

With COVID-19 pandemic unfolding with such speed and scale, many businesses across sectors have been disrupted. The cement demand has taken a severe setback since March 2020 as construction activities were hit due to supply chain disruption and non-availability of labour in urban and semi-urban areas.

The rural demand, however remained largely insulated due to good agriculture output and farm income. For FY 2020-21, the overall cement demand is expected to contract by ~15%.

On the positive side, it is widely anticipated that the industry would start seeing revival from the second half of FY 2020-21 as the pandemic situation gradually eases and economic growth engine starts kicking. Various fiscal, monetary and liquidity measures by the Government and restart in execution of key infrastructure projects like roads, irrigation, metros and rural housing as per PMAY scheme will help revive demand. By this time, the issue of labour shortage is also expected to normalise which along with release of pent-up demand for affordable and other housing projects in urban / semi-urban areas will further bolster the demand. The positive outlook for the agriculture sector augurs well for healthy rural economy and cement demand.[4]

COMPANY REVIEW

CEMENT DIVISION

Production

Particulars	April 2019 to March 2020	April 2018 to March 2019	Increase over previous year	
	(In Tons)	(In Tons)	(In Tons)	(In %)
Clinker	90,85,253	86,18,417	4,66,836	5.42
Cement	1,14,11,750	1,11,83,925	2,27,825	2.04

Sales

During the year, the Company had sold 112.03 lakh tons of cement, compared to 111.24 lakh tons of the previous year.

In spite of marginal degrowth of 1% in volume in the cement industry, the Company has grown by 1%. The sales for the Company for the year under review, could have been even higher, but for the impact of COVID-19 in March 2020.

The Company continues to expand in Eastern Markets in addition to consolidating in its core Southern Markets.

During the year under review, the Company has exported 2.30 lakh tons as against 2.24 lakh tons during the previous year. The export turnover of the Company for the year was ₹ 113.71 Crores as against ₹ 112.48 crores of the previous year.

READY MIX CONCRETE DIVISION

The Division has produced 32,999 cu.m of concrete during the year, accounting for a revenue of ₹ 14.16 Crores (Net of duties and Taxes) as against 36,960 cu.m. of concrete accounting for a revenue of ₹ 15.97 Crores (Net of duties and Taxes) during the previous year.

DRY MORTAR DIVISION

The Division has produced 38,739 tons of Dry Mortar during the year as against 40,493 tons produced during the previous year. The Division has sold 38,329 tons of Dry Mortar accounting for a revenue of ₹ 30.59 Crores (Net of duties and Taxes) during the year as against 40,418 tons of Dry Mortar accounting for a revenue of ₹ 29.72 Crores (Net of duties and Taxes) during the previous year.

WIND FARM DIVISION

The Division has generated 2,268 lakh units as compared to 2,426 lakh units in the previous year. Out of this, 2,189 lakh units were generated from the wind farms in Tamil Nadu and 79 lakh units from the wind farms in Karnataka. Out of the units generated in Tamil Nadu, 332 lakh units were meant for adjustment against the power consumed in the Company's plants and balance 1,857 lakh units have been sold to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for a value of ₹ 55.68 Crores.

Out of the units generated in Karnataka, 75 lakh units were supplied to Bangalore Electricity Supply Company Limited (BESCOM) for a value of ₹ 2.20 Crores and the balance 4 lakh units were supplied to third parties for a value of ₹ 0.18 Crores.

The installed capacity of the wind farm of the Company was 125.95 MW as on 31-03-2020 comprising of 108 Wind Electric Generators.

The income during the year from the Division was ₹ 58.07 Crores as against ₹ 61.75 Crores of the previous year.

POWER PLANTS

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

CAPITAL EXPENDITURE PROGRAMMES - NEW PROJECTS

Due to the outbreak of Corona Virus (COVID-19), Central and State Governments had imposed lockdown restrictions. Consequently, the project implementation activities had come to a standstill. The labourers of the service providing companies had left the site. Because of the above, there had been delay in project implementation of expansion programmes and consequently there had also been cost escalation. Subsequent to the relaxation in lockdown, the Company is taking all efforts to commission the projects at the earliest, simultaneously ensuring precautionary measures for the safety of men and materials. The status of the projects with revised commissioning time frame are given below.

Cement Plants

The Company is establishing Line III at the existing Jayanthipuram Plant with a clinkerisation capacity of 1.5 Million Tonnes Per Annum (MTPA). The plant will have a Waste Heat Recovery System to generate 27 MW of power. The cost of the project is ₹ 740 Crores. The Phase-1 of Waste Heat Recovery System with a capacity of 9 MW is expected to be commissioned in the second quarter of 2020-2021 and the Clinkerisation project is expected to be commissioned in the last quarter of 2020-2021.

The Company is establishing a new cement plant at Kalavatala Village, Kolimigundla Mandal, Andhra Pradesh with Clinkerisation capacity of 2.25 MTPA and cement manufacturing capacity of 1 MTPA. It is proposed to have a waste heat recovery system of 12.15 MW and Thermal power plant of 18 MW aggregating to 30.15 MW, so that the cement plant will be self-reliant on power. The Plant will also have railway siding to provide flexibility in logistics. The cost of the project is ₹ 1,600 Crores and is expected to be commissioned in the last quarter of 2020-2021.

Grinding Units

The Company has expanded its Kolaghat grinding unit with another line of grinding capacity of 1.05 MTPA. The revised cost of the project is ₹ 386 Crores. The Mill was commissioned in September 2019 and the Railway Siding works are expected to be completed by October 2020.

The Company has expanded its Vizag grinding unit with another line of cement grinding capacity of 1.05 MTPA. Cement Mill was commissioned in March 2020. The revised cost of the project is ₹ 215 Crores.

The Company is establishing a grinding unit at Haridaspur in Jajpur District in the State of Odisha with a cement grinding capacity of 1 MTPA. Among other things, the project will have Railway Siding and Wagon Tippler, which is an added advantage. The revised cost of the project is ₹ 717 Crores and is expected to be commissioned in August 2020.

On commissioning of Line II in Kolaghat and Vizag, the aggregate grinding capacity of the Satellite Grinding Units had increased from 4.20 MTPA to 6.30 MTPA.

On commissioning of the rest of the above projects, the Company's cement manufacturing capacity at its integrated cement plants would increase from 12.49 MTPA to 13.49 MTPA and cement manufacturing capacity at its satellite grinding units would increase from 6.30 MTPA to 7.30 MTPA.

On completion of the above projects, the aggregate cement manufacturing capacity of the Company is set to reach 20.79 MTPA.

Advantages from New Projects

The additional clinker that would be manufactured from the Line III of Jayanthipuram and the excess clinker from the Kalavatala Cement Plant would meet the requirements of the grinding units.

The cement produced at the grinding units would help the Company to further expand its markets in the Coastal Districts of Andhra Pradesh and in the States of Odisha, Jharkhand and West Bengal.

As the grinding units are established closer to the major cement consumption areas, this would not only ensure supply chain efficiency, but also better service to markets.

The installation of waste heat recovery system in our plants will help us to reduce the power cost. Besides savings in power cost, it also reduces CO_2 emission substantially, which improves the environment.

FINANCIAL PERFORMANCE REVIEW

PROFIT AND LOSS ANALYSIS - SEPARATE FINANCIALS

Particulars	31-03-2020	31-03-2019	Variance	
	₹ in Crores	₹ in Crores	₹ in Crores	(%)
Revenue				
Sale of products	5,310.37	5,084.52	225.85	4
Income from wind power	58.07	61.75	(3.68)	(6)
Other income	37.20	28.44	8.76	31
Total Revenue	**5,405.64**	**5,174.71**	**230.93**	**4**
Operational Expenses				
Cost of material consumed	921.15	828.59	92.56	11
Change in inventories of finished goods and WIP	(47.39)	18.30	(65.69)	-
Employee benefit expenses	368.20	329.49	38.71	12
Transportation and handling	1,137.90	1,187.96	(50.06)	(4)
Power and fuel	1,050.87	1,057.32	(6.45)	(1)
Other expenses, net of self-consumption	801.09	688.08	113.01	16
Total Operational Expenses	**4,231.82**	**4,109.74**	**122.08**	**3**
EBITDA	**1,173.82**	**1,064.97**	**108.85**	**10**
Depreciation & Amortisation Expense	315.26	298.52	16.74	6
Finance Costs	71.35	50.87	20.48	40
Profit Before Tax	**787.21**	**715.58**	**71.63**	**10**
Tax Expenses	186.12	209.69	(23.57)	(11)
Profit After Tax	**601.09**	**505.89**	**95.20**	**19**
Other Comprehensive Income	(7.81)	(2.68)	(5.13)	-
Total Comprehensive Income	**593.28**	**503.21**	**90.07**	**18**

Total Revenue

The Company's total revenue has grown by 4% in FY 2019-20 led by a marginal growth in sales to 11.20 MnT and 11.12 MnT in FY 2018-19 and a 4% growth in average net realisable sale price of cement. Revenue from wind power declined by 6% led by a 7% decline in net generation to 22.68 Crore units. Other income has increased due to increase in interest income, dividend income and exchange difference.

Operational expenses

The total operational expense of the Company increased by 3%, from ₹ 4,109.74 Crores in FY 2018-19 to ₹ 4,231.82 Crores in FY 2019-20. It comprises cost of material consumed, change in inventories of finished goods & WIP, employee benefits expenses, transportation and handling, power and fuel, and other expenses.

Cost of materials consumed

The cost of materials consumed increased by 11% in FY 2019-20 due to increase in clinker and cement production by 5% and 2% respectively, higher use of costlier imported gypsum for premium products and increase in OPC production. Cost of materials consumed accounted for 17.04% of revenue in FY 2019-20 as against 16.01% in FY 2018-19.

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

The Increase in inventories of finished goods / work-in-progress was due to stoppage of despatches from March 25, 2020 in view of COVID-19 related lockdown enforced by the Governments.

Employee benefits expenses

The employee cost increased by 12% in FY 2019-20 due to rise in headcount from 3,188 to 3,327 and increment in the annual salaries. The Company has also charged ₹ 21.52 Crores towards fair value of the employees stock options which is a non-cash item and ₹1.29 Crores (Nil in FY 2018-19) towards Voluntary Retirement compensation. Employee benefit expenses accounted for 6.81% of revenue in FY 2019-20 as against 6.37% in FY 2018-19.

Transportation and handling expenses

Transportation and handling expenses decreased by 4% in FY 2019-20 due to an average reduction of 4% in diesel prices. The road rail mix stood at 94:6 as against 92:8 in FY 2018-19. The overall lead distance for cement had been reduced by 3% to 288 kms. Transportation and handling expenses accounted for 21.05% of revenues in FY 2019-20 as against 22.96% in FY 2018-19.

Power and Fuel

Power and fuel cost reduced by 1% in FY 2019-20, despite clinker production increased by 5% and cement production increased by 2% due to a gradual decline in pet coke prices by ~USD 20 per ton and that of imported coal prices have softened by USD 4 to USD 5 per ton. However, rupee depreciation substantially offset this benefit. Power and fuel costs accounted for 19.44% of revenue in FY 2019-20 as against 20.43% in the previous year.

Other expenses

Other expenses increased by 16%, from ₹ 688.08 Crores in FY 2018-19 to ₹ 801.09 Crores in FY 2019-20. The increase was due to increase in advertisement / sales promotion expenses by ₹ 74.18 Crores for brand promotion and premium product launches, plant operating expenses by ₹ 24.84 Crores and general and other administrative expenses by ₹ 13.99 Crores. Other expenses accounted for 14.82% of the revenues in FY 2019-20 as compared to 13.30% in FY 2018-19.

Depreciation & Amortisation

Depreciation and Amortisation has increased from ₹ 298.52 Crores to ₹ 315.26 Crores primarily due to depreciation arising out of commissioning of new grinding lines at Kolaghat and Vizag. Depreciation & Amortisation accounted for 5.83% of revenue in FY 2019-20 as against 5.77% in FY 2018-19.

Finance Costs

Finance costs have increased by 40% from ₹ 50.87 Crores in FY 2018-19 to ₹ 71.35 Crores in FY 2019-20 due to increase in weighted average cost of total borrowings from 5.89% to 6.71% Also the total borrowings had increased from ₹ 1,618.70 Crores to ₹ 3,024.09 Crores.

Interest coverage ratio reduced from 9.58 times in FY 2018-19 to 5.56 times in FY 2019-20. The gross interest on the borrowings stood at ₹ 154.32 Crores, of which ₹ 82.97 Crores was capitalised as part of qualifying assets. Finance costs accounted for 1.32% of revenues in FY 2019-20 as against 0.98% in FY 2018-19.

Tax expenses

Tax expenses decreased by ₹ 23.57 Crores i.e. 11% from the previous year. Current tax is provided under MAT for FY 2019-20 as against Regular method in FY 2018-19. MAT rate declined from 21.55% to 17.47% in FY 2019-20. The overall effective tax rate also reduced from 29.26% to 23.52% due to deductions available on commissioning of new lines. Tax expenses accounted for 3.44% of revenues in FY 2019-20 as against 4.05% in FY 2018-19.

As per Section 115BAA of the Income Tax Act, 1961 introduced during the year, the Company has an irrevocable option of shifting to a lower tax rate by foregoing certain tax incentives, deductions and accumulated MAT credit. It has not exercised this option for the year ended 31-03-2020, in view of the benefits available under the existing tax regime.

Other Comprehensive Income (OCI)

OCI represents loss arising out of re-measurement of defined benefit plans amounting to ₹ 6.86 Crores. This is mainly due to reduction in the market yield of government bonds from 7.76% to 6.71%. Besides, fair value loss on equity investments of ₹ 0.95 Crore is also recognised in OCI during the year.

Profitability

EBIDTA grew by 10% from ₹ 1,064.97 Crores in FY 2018-19 to ₹ 1,173.82 Crores in FY 2019-20. The EBITDA margin stood at 21.71% as against 20.58% in FY 2018-19. Blended EBITDA per ton increased by 10% from ₹ 957 per ton to ₹ 1,048 per ton.

Profit after Tax (PAT) increased by 19% from ₹ 505.89 Crores to ₹ 601.09 Crores led by improved margins and volumes. The PAT margin stood at 11.12% as against 9.78% in FY 2018-19. Profitability was to some extent impacted by disruption of operations due to COVID-19 related lockdown imposed in March 2020.

ANALYSIS OF THE BALANCE SHEET - SEPARATE FINANCIALS

The summary of the financial position as at March 31, 2020 is detailed below:

Particulars	As at 31-03-2020	As at 31-03-2019	Variance	
	₹ in Crores	₹ in Crores	₹ in Crores	(%)
Assets				
Non-Current Assets	8,479.03	6,732.37	1,746.66	26
Current Assets	1,567.97	1,375.84	192.13	14
Total Assets	**10,047.00**	**8,108.21**	**1,938.79**	**24**
Equity & Liabilities				
Equity	4,918.56	4,460.11	458.45	10
Non-Current Liabilities	2,794.49	1,600.38	1,194.11	75
Current Liabilities	2,333.95	2,047.72	286.23	14
Total Equity and Liabilities	**10,047.00**	**8,108.21**	**1,938.79**	**24**

Non-Current Assets

Non-current assets have increased by ₹ 1,746.66 Crores due to the following reasons:

- Capital expenditure of ₹ 1,919.94 Crores including for capacity expansion programme at Kolaghat, Vizag, Jayanthipuram, Kurnool and Haridaspur. This is after adjusting non-cash adjustments / accruals viz. depreciation of ₹ 315.26 Crores, recognition of Right-of-use asset of ₹ 14.57 Crores and increase in capital payables of ₹ 95.96 Crores.
- Strategic investments of ₹ 15 Crores in equity shares of associate company – Lynks Logistics Limited.
- Increase in loans to subsidiaries and associates by ₹ 23.73 Crores.
- Decrease in other non-current assets by ₹ 7.28 Crores mainly due to receipt of income tax refund and reduction in prepaid expenses.

Current Assets

Current assets have increased during the year by ₹ 192.13 Crores due to the following reasons:

- In view of lockdown enforced by the Governments on account of COVID-19, the despatches were affected and thus inventory of finished goods, work-in-progress and packing materials have increased to the extent of ₹ 54.36 Crores. Raw materials and Stores have increased by ₹ 38.47 Crores. The Fuel stocks have reduced by ₹ 7.24 Crores mainly due to reduction in pet coke prices. Inventory turnover ratio increased marginally from 40 days to 41 days due to increase in the overall inventory.
- Trade receivables have increased by ₹ 36.88 Crores. The receivables turnover pertaining to cement has come down marginally from 28 days in the previous year to 27 days in the current year. The receivable from Tamil Nadu State Electricity Board pertaining to wind power is slow in recovery, however, this is considered good.
- Industrial Promotion Assistance receivable from Government of Andhra Pradesh has increased by ₹ 14.82 Crores.
- Unadjusted input tax credits availed under GST has increased to the extent of ₹ 85.94 Crores in view of increased capital expenditure which will be available for set-off in the subsequent periods.
- Reduction in other current assets by ₹ 31.10 Crores mainly due to reduction in supplier advances, prepaid expenses and recovery of claims from government departments.

Equity

Share capital remained constant and total comprehensive income is ₹ 593.28 Crores for FY 2019-20. The Company has also charged profit and loss and created a reserve for ₹ 21.52 Crores towards ESOP. The dividend pay-outs including dividend distribution tax was ₹ 156.35 Crores. Return on net worth increased from 12% to 13% as on March 31, 2020 due to increase in profitability.

Non-Current Liabilities

- Long-term Borrowings have increased by ₹ 1,131.16 Crores to fund the capital expenditure. Consequently, the debt-equity ratio and debt / EBITDA has increased to 0.61 and 2.58 respectively as on March 31, 2020 as against 0.36 and 1.52 respectively as on March 31, 2019. Return on capital employed has marginally reduced from 10% to 9%. The decline in debt-service coverage ratio from 4.52 as on March 31, 2019 to 2.90 as on March 31, 2020, was due to increase in borrowings for capital expenditure programmes.
- Deferred Tax Liabilities have increased by ₹ 46.79 Crores after netting of MAT credit recognition of ₹ 36.74 Crores and tax adjustments of earlier years including reversal of MAT credit set-off amounting to ₹ 9.25 Crores.
- Provisions and other liabilities have increased by ₹ 8.34 Crores and ₹ 7.82 Crores mainly due to increase in provision for mines restoration and recognition of lease liability for the non-cancellable leases respectively.

Current Liabilities

- Short-term Borrowings have increased by ₹ 86.48 Crores to meet working capital requirements.

- Current maturities of long-term borrowings have increased by ₹ 187.75 Crores, which is due within one year as per repayment schedule.

- Provisions have increased by ₹ 3.75 Crores and other liabilities by ₹ 8.25 Crores due to increase in provision for compensated absences and interest accrued for the borrowings respectively.

- Current ratio stood at 1.06 as on March 31, 2020, marginally lower than 1.07 in the previous year due to increase in current liabilities.

MOVEMENT IN KEY FINANCIAL RATIOS

Ratios and explanation	31-03-2020	31-03-2019	Formula adopted
Debtors Turnover Ratio (Days) *Indicates the average collection period and measures the efficiency of the company in managing its accounts receivables*	34	33	365 days / (Net Revenue / Average Trade Receivables)
Inventory Turnover Ratio (Days) *Indicates the average inventory holding period and measures the efficiency with which the company utilises or manages its inventory*	41	39	365 days / (Net Revenue / Average Inventories)
Interest Coverage Ratio *Indicates the company's ability in terms of earnings to meet the interest obligations*	5.56	9.58	(Profit Before Tax + Interest) / (Interest + Interest Capitalised)
Current Ratio *Indicates the level of current assets to meet the current liabilities*	1.06	1.07	Current Assets / (Total Current Liabilities - Security Deposits payable on demand - Current maturities of Long Term Debt)
Debt-Equity Ratio *Indicates the measure to which the company is financing its operations through debt versus wholly-owned funds*	0.61	0.36	Total Debt / Total Equity
Operating Profit Margin *Indicates the percentage of profit after all expenses except for interest, depreciation and taxes on the total revenue*	22%	21%	EBITDA / Net Revenue
Net Profit Margin *Indicates the percentage of profit after all expenses including interest, depreciation and taxes on the total revenue*	11%	10%	Net Profit / Net Revenue
Return on Net Worth *Indicates the percentage of return generated to equity shareholders*	13%	12%	Total Comprehensive Income / Average Net Worth
Total Debt / EBITDA *Indicates the relevance of company's operating profit to its debt*	2.58	1.52	Total Debt / EBITDA
Return on Capital Employed *Indicates the percentage of return generated on equity capital and debt capital*	9%	10%	(Total Comprehensive Income + Interest) / (Average of Equity + Total Debt)
Price Earnings Ratio *Indicates the relevance of the company's share price to the earnings per share*	20	34	Market Price per share as at 31st March / Earnings per Share
Debt Service Coverage Ratio *Indicates the availability of operating profit to pay its current maturities of debts and interest obligations*	2.90	4.52	(EBITDA – Current Tax) / (Principal Repayment + Interest)
Blended EBITDA per Ton (In ₹) *Indicates the operating profit per ton of cement sold*	1,048	957	EBITDA / Sale Volume in tons

HUMAN RESOURCES

The Company believes that employees are the greatest asset to drive the organisational excellence. The Company focussed on nurturing its talents by adopting a meritocratic, caring and transparent work culture. It has undertaken several initiatives towards motivating and rewarding performance of employees.

The Company has a robust talent acquisition mechanism devised to attract and retain best of talents who fit into its culture. The Company undertakes various learning and development initiatives to improve the skills and knowledge of the employees in technical, behavioural and work-life balance parameters to enhance their performance and potential towards attaining organisation's goals. Leadership development programmes are conducted in association with prestigious institutions like Harvard Business School and Michigan ROSS School of Education to unleash and enrich the potential of senior employees. Besides, the Company ensures fair remuneration through its unique performance reward system which encourages employees to demonstrate their fullest potential.

The Company is strongly focussed on the health and safety (H&S) and welfare of employees. It regularly undertakes various awareness and safety training programme to improve performance on H&S parameters. It has also implemented employee-friendly welfare policies like housing loans, various types of soft loans, insurance coverage for medical treatment, life and personal accident. Additionally, it has a unique specialist medical reimbursement scheme which is one of the best in the industry. The Company has also institutionalised engagement initiatives like quality circle, 5S, IMS, suggestion scheme and Kaizen improvements.

The Company has established online HR systems with well-defined processes. The Company's conducive policies and HR excellence is evident in its 95% retention ratio of employees for three consecutive years. The most experienced senior leaders have been with the Company for over 30 years, some having joined as trainees, indicating the opportunities offered to employees. 75% of Leadership team (GM & above) have served the Company for more than 10 years. The Company practices recognising long serving employees through an award to create a sense of belongingness. In the past ten years, 1,075 employees have been felicitated with this award, representing ~30% of its employee strength of 3,327 as on March 31, 2020.

HR continuously supports the business in giving the right talent at the right time to build organisational capabilities and achieve goals.

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:

Fuel availability and prices risk

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 and USA, thus exposing the risk of availability and prices.

Mitigation

The Company adopts both structured and unstructured procurement strategies to mitigate the risk. It has 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. 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 is establishing waste heat recovery plants to produce power which will help reduce overall power costs while insulating from the overall risks on fuel. The Company also has the option to switch over to green power generated from its windmills in case of any exigencies which are presently connected to grid.

Currency fluctuation risk

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.

Mitigation

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
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.

Mitigation
The Company prudently plans and builds fresh capacities 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.

Moreover, the Company is undertaking steps to tackle the demand disruption due to COVID-19 pandemic. It has rolled out contingency plans such as social distancing, work from home, and enhanced safety measures at all workplaces as per regulatory advisory to minimise the risk of spread. It continues to closely monitor the developments in economic conditions and assess its impact.

Information Technology Risk
The Company's operations are increasingly dependent on IT systems which requires careful management of the information that is in our possession to ensure data privacy. The cyber-attack 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.

Mitigation
To reduce the impact of cyber-attacks 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.

SUBSIDIARY COMPANIES

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

Ramco Windfarms Limited (RWL)
The Share Capital of RWL is ₹ 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 31-03-2020 comprising of 127 Wind Electric Generators.

The Company had generated 358.65 lakh units of power as compared to 371.26 lakh units of power during the previous year.

The decrease in generation was due to delayed onset of monsoon for the year under review.

The revenue and profit after tax for the Company for the year ended 31-03-2020 were ₹ 14.38 Crores and ₹ 3.16 Crores compared to ₹ 14.92 Crores and ₹ 2.70 Crores respectively of the previous year.

The increase in profit after tax for the year under review, was mainly due to reduction in the interest cost consequent to reduction in overall borrowings.

Ramco Industrial and Technology Services Limited (RITSL)

The Share Capital of RITSL is ₹ 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 IT services division of the Company is the Preferred partner for Ramco Systems ERP products suites. The division is implementing Core ERP (Finance and Distribution), Project Costing/Billing, Supply Chain Management, CRM, Budgeting and Planning and Analytics for domestic and international customers of Ramco Systems Limited.

Ramco ERP is a comprehensive cloud ERP solution catering to the needs of fast-growing enterprises embarked on digital transformation. Ramco's cognitive and most-modern ERP software help optimise complex business processes and enables organisations to thrive digitally.

In addition to its core offerings in the ERP space, RITSL provides end to end transformational solutions in HCM covering Employee Information Management, Talent Acquisition and Management, Global Payroll and Benefits, Learning Management, Workforce Planning and optimisation and People Analytics.

The division had executed transformational assignments in different verticals including Automobile, Retail, Cement, Petro Chemical, Risk Services, etc.

The revenue of the Company for the year ended 31-03-2020 was ₹ 40.94 Crores as against ₹ 35.85 Crores for the previous year. The Company had earned a profit after tax of ₹ 0.35 Crore as against the loss of ₹ 1.29 Crores for 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.

The Company has no material subsidiaries.

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 consolidated financial statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the consolidated financial statements incorporating the accounts of Subsidiary Companies and Associate Companies, along with 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 at http://www.ramcocements.in/financial-performance.aspx Separate audited accounts in respect of the subsidiary companies are also made available at the Company's website. The Company shall provide a copy of separate audited financial statements in respect of its Subsidiary Companies to any shareholder of the Company who asks for it.

The consolidated net profit after tax of the Company amounted to ₹ 604.14 Crores for the year ended 31st March 2020 as compared to ₹ 510.72 Crores of the previous year.

The consolidated total comprehensive income for the year under review is ₹ 599.18 Crores as against ₹ 509.64 Crores of the previous year.

DIRECTORS

Shri.P.R.Venketrama Raja, Chairman and Managing Director, retires at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

Shri.M.S.Krishnan, (DIN: 08539017) has been co-opted on 03-09-2019 as an Additional Director under Independent Director category. He will hold the office till the date of the forthcoming Annual General Meeting. It is proposed to appoint Shri.M.S.Krishnan as a Director under Independent Director category at the Annual General Meeting to hold office for 5 consecutive years with effect from 03-09-2019, without being subject to retirement by rotation.

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

Smt. Justice Chitra Venkataraman (Retd.), Independent Director had been re-appointed for another period of 5 years from 20-03-2020 to 19-03-2025.

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

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;

(c) remuneration to directors, key managerial personnel and senior management shall be appropriate to the working of the company and its goals and

(d) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013 and LODR. During the year under review, there has been no change in the policy. The web address of the Policy is –

http://ramcocements.net/ramcocements/pdffiles/policies/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf

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://ramcocements.net/ramcocements/pdffiles/DIRECTORS%20FAMILIARISATION%20PROGRAMME.pdf

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 will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of Independent Director.

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

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

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

The Company would continue to familiarise its Directors on the industry, technology and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

MEETINGS

During the year, six 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

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

PUBLIC DEPOSITS

a. The Company has decided not to accept deposits from 01-04-2014.

b. Deposits remaining unclaimed as at the end of the year amounted to ₹ 0.54 lakhs aggregating to 3 numbers.

c. During the year, there has been no default in repayment of deposits or payment of interest thereon.

No deposit has been claimed from 01-04-2020 till the date of this report.

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. 11, 12, 13, 20 and 47 of Notes to the Separate financial statements.

AUDITS

STATUTORY AUDIT

M/s.Ramakrishna Raja And Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S), who have been appointed as the Statutory Auditors of the Company at the 59th Annual General Meeting would be the Auditors of the Company, till the conclusion of the 64th Annual General Meeting of the Company to be held in the year 2022.

The report of the Statutory Auditors for the year ended 31st March 2020 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 2020-21 at a remuneration of ₹ 4,50,000/- (Rupees Four 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 62nd Annual General Meeting scheduled to be held on 07-09-2020, for ratification by the Members.

The Cost Audit Report for the financial year 2018-19 due to be filed with Ministry of Corporate Affairs by 06-09-2019, had been filed on 03-09-2019. The Cost Audit Report for the financial year 2019-20 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 2020 is attached as Annexure-2. The report does not contain any qualification, reservation or adverse remark.

ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 for the year ended 31st March 2020 is attached herewith as Annexure-3.

In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS 4), a copy of the Annual Return for the year ended 31st March 2019 has been placed on the website of the Company and the web link of such Annual Return is –

http://ramcocements.net/ramcocements/pdffiles/ANN%20RETURN%202019.pdf

CORPORATE GOVERNANCE

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

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

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

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

CSR – INITIATIVES AND IMPACTS

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

The Company believes that CSR is not just a set of programmes, it is what the Company does and how it does to maximise positive impact. In FY 2019-20, the CSR obligations pursuant to Section 135(5) of the Companies Act, 2013 was ₹ 15.60 Crores against which ₹ 14.99 Crores were spent. The marginal shortfall of ₹ 0.61 Crore was due to COVID-19 situation that had arisen in the month of March 2020. However, the Company had spent a sum of ₹ 3.99 Crores on other social causes and projects, which do not qualify as CSR expenditure under the classifications listed in Schedule VII of the Companies Act, 2013.

During the year, the Company undertook various CSR projects in rural development, improving ecosystem, promoting education and health and hygiene in remote underdeveloped areas. Some of the key initiatives undertaken include:

Environment Protection Measures

Agroforestry – Replicating farmer's best practices – Initiative towards global warming mitigation and farmer's empowerment.

Agroforestry is a land use management system in which trees and crops are grown together. An intentional combination of agriculture and forestry provides various benefits like, continued carbon sequestration by trees, more food crops in between the trees, increased biodiversity, reduced soil erosion and sustainable multiple incomes to the farmers from trees and food crops.

The Ariyalur unit had planted 20,000 trees through the efforts of Farmers community and trained the farmers who were living within 15 kms of radius from the factory on tree cultivation and conservation farming. 17 villages and over 35 acres of land have been covered under this agroforest initiative.

Many landless farmers were also indirectly benefited through jobs/incomes in making seedlings, pits excavation, planting work, watering and working on intercrops & tree care works. Four different tree species namely, Indian Lilac, Rosewood, Red Sandal and Teak have been planted. The project ensures sustainable development in the surrounding areas.

The Company had also collaborated with Auroville, Puducherry and trained many new generation professionals in the Ecological horticulture course in the mission to protect and enhance biodiversity.

Education

The Company is committed to create and enable an environment that is conducive for children and young people to develop and evolve as responsible citizens. Through initiatives in education sector, the Company is creating excellent infrastructure near its manufacturing facilities for rural children to have access to quality education. The educational institutions established and run by the Company are standing testimonials to this.

Some of the initiatives are:

- The Company had provided supports to government schools, in the form of financial assistance for building of new classrooms, construction of compound walls, renovation of existing classrooms, building toilets.
- Life enhancement programmes are organised with experts to provide, health, hygiene and motivational classes to 10th and 12th standard children of Government Schools.
- Skill Development Programme for educated rural youth to enhance employability skills.
- Extension of financial assistance for the R & D Projects of Chennai Mathematical Institute, a centre of excellence for teaching and research in the mathematical sciences.
- Financial Assistance for establishing Jaigopal Vidyalaya School, Paruthipattu, Tamil Nadu.
- Donation to Bagaria Foundation and Arus Foundation for educational purposes.
- Contribution to Aram Valartha Nayaki Sevai Mayyam for educational support for the children in the slums of Chennai.
- Construction of Class Room at Zilla Parishad School, Narasingapalli, Vizag District.
- Financial assistance - Reach for The Stars Scholarship Program to develop educational skills in young people in villages surrounding Auroville, Puducherry.
- Financial assistance to Auroville Institute of Applied Technology, Puducherry.

Healthcare

With regard to health, the Company focusses enhancing the facilities in Government Hospitals, conducting medical camps, building community toilets and addressing sanitation needs and inspiring healthy lifestyles.

Within this larger objective, the Company has undertaken several initiatives in rural areas focussed on promoting integrated healthcare.

The Company has been successful in imbibing the practice of preventive healthcare among the beneficiaries and inculcate health awareness in and around the nearby villages where its manufacturing facilities are located. The provision of toilets and a concentrated 'Behaviour Change' strategy towards the usage has improved health standards of the communities.

Some of the initiatives are:

* Donation of Maruti Eeco Care Ambulance to Ariyalur Police Station.
* Arrangement of Health Care Guides for educating the pregnant mothers on child care.
* Donation for sanitary napkin incinerators to Government Schools.
* Donation of hearing aid machines for Deaf Students.
* Construction of toilets and SMART toilets to eliminate open defecation through which more than 350 families have benefited.
* Training adolescent girls & women on menstrual hygiene practices.
* Addressing child nutrition, sanitation and agricultural livelihood among the tribals of Kalrayan Hills.
* Installation of RO Plants for providing safe drinking water to more than 1 lakh people in rural areas.

Inspiring Young Minds

The Ariyalur unit had organised two initiatives in the year 2019-20 for the encouragement of the young minds namely: -

a. Veettukku Oru Vignaani (A Scientist in Each Home) in association with Puthiya Thalaimurai TV Channel.

   In this programme, 400 Students from Government and Private Schools in Ariyalur District had participated and around 200 models were exhibited by them. The young minds came up with unique ways of saving and improving the environment and road safety measures.

b. Inter school painting competition in association with The Hindu.

More than 250 students from 73 schools from Ariyalur District participated in the painting competition on varying topics like, Save Water, Global Warming, Garbage Free Ariyalur, Plogging, Roof Garden in my house, etc.

Both these programmes brought out the thoughts of youngsters about their understanding of science and environment.

Support during Natural Calamities

The Company is always on the forefront during any natural calamity for offering relief and recovery support activities. The Company supports the Government during the crisis times, by aligning with government officials to bring immediate reliefs to the people affected by the disasters.

During the floods in Kerala caused by Cyclones, the Company with its officials and with the help of its extensive dealer and transport network, provided various relief measures, including door to door distribution of drinking water, food and other essential items. The Company also contributed for restoration of homes, ravaged during floods.

Rural Development

The Company had contributed by way of donation of cement for the Government of India's Pradhan Mantri Awaas Yojana scheme implemented for providing affordable housing to below poverty line people. This support had benefited 120 families in Adhanakurichi, Dalavoi, Alathiyur, Manakkudayan and Tular panchayat in Ariyalur District.

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

COVID-19

The outbreak of COVID-19 had given yet another opportunity to the Company to demonstrate its commitment for Corporate Social Responsibility.

The Company not only contributed directly to the society by various means but also proactively partnered with government administrations, in the fight against the Coronavirus in its operating states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Karnataka, Bengal and Odisha.

In all the factories, to ensure the highest degree of safety and health to the Company's employees and the employees of transport contractors, etc., the following measures were put in place since the beginning of March 2020:

* All vehicles leaving the factory were disinfected and the drivers were checked for body temperature and other symptoms of Coronavirus and provided Medical Certificate by the doctor at the factory exit for their safe passage.

* All vehicles coming into the factories were disinfected thoroughly.

* Every person entering the factory was checked and certified that he was free from symptoms of the virus.

* Food arrangements were done for doctors and paramedics, who were in the forefront of fighting against COVID-19.

* Also food packets were distributed in rural areas around the factory and mines, for people who had been economically affected due to outbreak.

The Company had contributed to the Relief Funds of various State Governments for carrying out relief works towards COVID-19, besides providing relief materials comprising of Thermal Scanners, Oxygen Concentrators, Private Protection Equipment (PPE) Kits, Masks, Gloves, Sanitisers, etc.

The Company also mobilised and distributed basic amenities such as water, shelter, food and ration kits containing rice, wheat flour, oil, and vegetables, to all the needy families staying in villages around its factories and mines by working alongside district collectors, police, public health departments and panchayats. Disinfectants were sprayed extensively in villages around the factories as a safety measure.

Isolation Centres

The Company has also set up Isolation Centres for treating the patients affected with COVID-19 at Kadukur and Thamaraikulam in Tamil Nadu and near the Company's plant at Haridaspur in Odisha.

The Company had also donated Electrical Accessories, Steel Cots, Bed, Pillows, Awareness Posters, Flex Boards, etc. to the Government Established Isolation Centres in Ariyalur and Virudhunagar Districts.

Masons, Architects, Contractors & Engineers (MACE)

While movement of personnel were restricted during the lockdown period, the Company seriously considered opportunities in the emerging situation. With Social Distancing, meeting of construction professionals, architects, engineers, builders and general public were ruled out.

At this juncture, the Company's MACE Division pioneered an initiative by launching a series of online webinar programmes on various construction topics by inviting structural consultants and experts to speak online and has conducted more than 50 such webinars.

The topics for the webinars included, Blended Cement, Concrete Mix Design, Practical aspects in Concreting, Smart City, Ready Mix Concrete, Risk Management, Procurement and Contract Management, Reinforcement Detailing, Sustainability and other Scientific Construction Practices.

The speakers included award-winning architects, senior professors of leading institutions of Indian Institute of Technology and structural consultants. On an average of 700 professionals attended each of these webinars.

This is yet another instance of Ramco Cements rising in the crisis situation and delivering in the COVID-19 environment.

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.

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 –

http://ramcocements.net/ramcocements/pdffiles/policies/RISK%20%20MANAGEMENT%20POLICY.pdf

RELATED PARTY TRANSACTIONS

Prior approval / omnibus approval is obtained from the Audit Committee for all Related Party Transactions and the transactions are also periodically placed before the Audit Committee for its approval. The 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 –

http://ramcocements.net/ramcocements/pdffiles/policies/RELATED%20PARTY%20TRANSACTION%20POLICY%202015.pdf

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

http://ramcocements.net/ramcocements/pdffiles/policies/MATERIAL%20SUBSIDIARY%20POLICY%202015.pdf

MATERIAL CHANGES SINCE 1ST APRIL 2020

The outbreak of COVID-19, had an adverse impact with regard to Company's production and sales during the year 2019-2020. Subsequent to the relaxations announced by the Statutory Authorities in 2020-2021, the Company's plants have started operations. With the expected revival of demand, the capacity utilisation levels are also expected to increase.

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

EXTERNAL ENVIRONMENT

Threats

Due to the outbreak of COVID-19, there had been a complete lockdown. The construction activity has come to a halt. Government has started relaxing the restrictions. Wherever such relaxations are in, economic activities have started resuming.

New construction activity is minimal and is primarily seen in the rural markets. Since, the country had good monsoons last year, the rural markets look more promising compared to urban markets. The Company is well positioned in the rural markets and expects to reap the benefit of demand growth there.

Projects and Infrastructure segments face huge challenges due to non-availability of workers, logistics constraints, uncertainties in imports and stress in the financial sector. The Company expects slowdown in the builder and commercial segments, which will have a bearing on the cement industry.

Worldwide the economy is expected to contract for the year 2020-2021. Indian economy is also expected to follow suit. The rating agencies have projected a negative growth rate ranging from 2% to 5% for the year ahead for India. This is also to be seen by the severity and duration of COVID-19 and its aftermath.

Opportunities

Government of India has already given thrust for various infrastructure activities including Urban Rejuvenation Mission, Amrut and Smart Cities Mission and Upgradation of more than 1 lakh kms of road length in the next five years. Government has extended income-tax benefits under Section 80(1)(b)(a) of the Income-Tax Act, 1961, to promote affordable housing in India. These measures are expected to mitigate the contraction expected in the economy, due to COVID-19. Commercial and industrial construction are expected to get revived, because of the measures announced by Government of India, which would result in increase in the demand for cement.

The Company launched RAMCO Supercrete as a Speciality Cement for Concrete and RAMCO Infra, a Speciality Cement for High Strength Concrete and for Infrastructure Project Works, as premium products in 2019-20 in all the Southern Markets. The products have not only gained quick acceptance but also the customers and users have experienced value addition. The Company expects to make substantial inroads with its speciality cements, including RAMCO Supercrete and RAMCO Infra and increase the share of the premium products.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

INDUSTRIAL RELATIONS & PERSONNEL

The Company has 3,327 employees as on 31-03-2020. Industrial relations in all the Units continue to be cordial and healthy. Employees at all levels are extending their full support and are actively participating in the various programmes for energy conservation and cost reduction. There is a special thrust on Human Resources Development with a view to promoting creative and group effort.

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	Variation in terms
ESOS 2018 – Plan A	5,00,000	₹ 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	Nil
ESOS 2018 – Plan B	7,00,000	₹ 100/- per share	One year from the date of grant		Primary	Nil

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 changes were made in the schemes.

A certificate from the Company's Statutory Auditors, with respect to implementation of the above Employee Stock Option Schemes in accordance with SEBI Guidelines and the resolution passed by the Members of the Company, would be placed before the Members at the ensuing AGM and a copy of the same shall be available for inspection at the Corporate Office of the Company during normal business hours on any working day.

The relevant disclosures in terms of Companies Act, 2013, and in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, are attached as Annexure-10.

Relevant disclosures in accordance with 'Ind AS 102 Share-based Payments' issued by ICAI and Diluted EPS on issue of shares pursuant to the schemes covered under the regulations are disclosed in accordance with Ind AS 33 - Earnings Per Share issued by ICAI.

The disclosure required to be made under SEBI (Share Based Employee Benefits) Regulations, 2014 is available in the Company's website at the following link –

http://www.ramcocements.in/shareholder-information.aspx

CREDIT RATING

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

AWARDS RECEIVED DURING THE YEAR

Environmental Awards

The Ramasamy Raja Nagar Unit had been awarded "Green Award 2018" among the Industries of Tamil Nadu. The Green Award is being conferred by Tamil Nadu Pollution Control Board in recognition of the excellent contribution towards protection of environment by Industries in Tamil Nadu. Special focus is given to best practices adopted in achieving environmental quality in emission, discharge of waste water, solid and hazardous waste management and green belt development.

The Ramco Vidyalaya School situated at Ramasamy Raja Nagar Unit had also been awarded "Green Award 2018" among Educational Institutions of Tamil Nadu. Green award is being conferred by Tamil Nadu Pollution Control Board to Educational Institutions in Tamil Nadu in recognition of their excellent contribution towards protection of environment. Special focus is given to practices adopted in Green belt development, rain water harvesting, water conservation measures, waste water management, energy conservation measures, solid waste management, environmental awareness programmes and use of renewable source of energy.

The awards were presented by Honourable Chief Minister of Tamil Nadu, Shri. Edappadi K. Palaniswami on 13th June 2019.

The Alathiyur unit had won "Best Environmental Excellence in Limestone Mines for the year 2017-18" and "Second Best Environmental Excellence in Cement Plants for the year 2018-19" from National Council for Cement and Building Materials (NCCBM). The Ariyalur unit had won "Special Award" and "Commendation Certificate for Environmental Excellence in Mines Operations for the year 2017-18 and 2018-19" from NCCBM. The awards were presented by Shri.Piyush Goyal, Honourable Minister of Commerce & Industry and Railways on 3rd December 2019 at New Delhi.

The Ariyalur unit had been awarded "Platinum Award" under Eco Innovation Category and "Gold Awards" under Water Stewardship and Occupational Health & Safety Categories by Apex India Foundation, at the Apex India Sustainability Conference held at Goa on 24th September 2019. The Ramasamy Raja Nagar and Alathiyur units had also won "Gold Awards" under Environment Excellence Category.

The Ariyalur unit's Pudupalayam Mines had won the "Jury Special Environment Award" for its efforts towards Environment Protection and Management from Federation of Indian Mineral Industries at New Delhi on 24th September 2019.

The Ariyalur unit had won "5 Star" and "Special Award for Water Management" in the Environment, Health & Safety Excellence Awards 2019 conferred by Confederation of Indian Industry.

The Alathiyur and Ariyalur units had been awarded "19th Annual Greentech Environment Award 2019". The awards were conferred by Greentech Foundation on 11th July 2019 at New Delhi during the 19th Annual Greentech Sustainability Conference, on "Sustainability, Environment Protection, Waste Management, Water Treatment and CSR issues being faced by industries, and corporates and the ways to overcome the challenges."

Energy Efficiency Awards

The Ramasamy Raja Nagar unit had received "National Energy Leader" award and "Excellent Energy Efficient Unit" award. The Alathiyur unit had also been awarded "National Energy Leader" award and "Excellent Energy Efficient Unit" award, for energy conservation, energy efficiency and implementation of energy saving projects. The Alathiyur unit is receiving the National Energy Leader award for the second time. The awards were presented by Confederation of Indian Industry at Hyderabad at the 20th National Energy Summit held between 17th and 19th September 2019.

The Ramasamy Raja Nagar unit had received "National Award" for Energy Efficiency in Indian Cement Industry conferred by National Council for Cement and Building Materials. The award was presented to the Company on 4th December 2019 at New Delhi.

The Ramasamy Raja Nagar and Alathiyur units had been awarded "Platinum Awards" under Energy Efficiency Category by Apex India Foundation, at the Apex India Sustainability Conference held at Goa on 24th September 2019.

The Alathiyur unit's thermal power plant was awarded Second Prize for "Power Plant Performer 2019" under Captive Power Plant – Cement Category during the 4th Thermal Power Operations and Maintenance Award 2019 held on 28th June 2019. The award was organised by Mission Energy Foundation, supported by Ministry of Environment and Forest & Climate Change, Ministry of Power, Coal and Renewable Energy and Ministry of Science & Technology.

The Alathiyur unit had won "National Energy Leader" and "Excellent Energy Efficient Unit" at the National level competition for National Award for Excellence in Energy management – 2019 conducted by Confederation of Indian Industry. The award was presented by Shri.D.Prabhakar Rao, Chairman & Managing Director of Transmission Corporation of Telengana Limited and Telengana State Power Generation Corporation Limited at Hyderabad.

Manufacturing Competitiveness

The Ramasamy Raja Nagar unit had received "Gold Medal" at the National Awards for Manufacturing Competitiveness 2019 organised by International Research Institute for Manufacturing at Mumbai. The unit had also received "Special Apex Award – First Runner Up" in All India Level, for demonstrating commitment and excellence in its journey towards improving manufacturing competitiveness. The Alathiyur unit had also received "Silver Medal" in this regard.

CSR Awards

The Ramasamy Raja Nagar unit had received Certificate of Appreciation for its CSR Activity on 15th August 2019 from the District Collector, Tuticorin District.

The Ramasamy Raja unit had received the "Best CSR Practices Award" and "Best Environment Management Award" from Economic Times during the World CSR Day Congress & Awards Ceremony held on 18th February 2020 at Mumbai.

The Ariyalur unit had won "Best CSR Impact Award" from UBS Forums at the Corporate Social Responsibility Summit & Awards 2019 on 9th August 2019 at New Delhi.

The Alathiyur unit also had won "Winner Award" instituted by UBS Forums in the CSR Leadership Category for community development projects on 29th November 2019 at Mumbai.

The Ariyalur unit had won the "Overall CSR Excellence Award" organised by ZEE Business at the National CSR Leadership Congress at Bengaluru on 18th September 2019.

The Ariyalur unit had won "Asia's Best CSR Practices Award" from CMO Asia, for the Company's commitment and respect for communities, environment and the people. The award was presented on 16th August 2019 at Singapore.

Quality Control

The Ramasamy Raja Nagar unit had participated in the 29th Chapter convention of Quality Circle hosted by Madurai Chapter of Quality Circle Forum of India and 10 teams had received "Gold Award".

The Ramasamy Raja Nagar unit had received "5S Certification Award" conferred by Quality Circle Forum of India on 6th December 2019.

The Ramasamy Raja Nagar unit had received "JUSE (Union of Japanese Scientists & Engineers) 5S Recertification Award" at the National Convention on Quality Concepts organised by Quality Circle Forum of India held at Varanasi from 26th to 30th December 2019. The Unit had also won 5 Nos. of "Par Excellence" awards and 4 Nos. of "Excellence" awards. The Jayanthipuram unit had won 5 Nos. of "Par Excellence" awards and 1 No. of "Excellence" award. The Alathiyur unit had won 4 Nos. of "Par Excellence" awards and 2 Nos. of "Excellence" awards. The Ariyalur unit had won 9 Nos. of "Par Excellence" awards and 4 Nos. of "Excellence" awards. The Chengalpattu grinding unit had won 2 Nos. of "Par Excellence" award and 2 Nos of "Excellence" award.

The Jayanthipuram unit had been awarded "5S Recertification Award" with "Par Excellence" grade for Workplace Management System on 2nd May 2019 by Quality Circle Forum of India.

The Jayanthipuram unit had been awarded "Par Excellence" grade for the KAIZEN presented at the 5S Conclave conducted at Surat on 21st May 2019 by the Quality Circle Forum of India.

The Jayanthipuram unit had been awarded certificate for Workplace Management System on 21st May 2019 by Quality Circle Forum of India jointly with Union of Japanese Scientists & Engineers.

The Jayanthipuram unit had been awarded "Best Supporting Organisation for Quality Circle Movement for the year 2019" at the Quality Circle Convention held at Hyderabad in August 2019. The unit is receiving such an award for the 10th consecutive time. A total of 17 teams from the unit had participated and all the 17 teams had won "Gold Award".

The Jayanthipuram unit had participated in the Quality Circle Convention conducted by Quality Circle Forum of India, Visakhapatnam Chapter, and 7 teams had won "Gold Award".

The Alathiyur unit had received Second Place in the "CII SR 5S Excellence Award – 2019" under the Large Scale Manufacturing Category from Confederation of Indian Industry, Southern Region on 14th June 2019 at Chennai.

The Ariyalur unit had participated in the Chapter Convention on Quality Concepts, organised by Quality Circle Forum of India, Coimbatore Chapter, at Kumarakom, Kerala on 13th October 2019. All the 13 teams, who had participated had won Gold Award.

The Chengalpattu grinding unit had participated in the Chapter Convention on Quality Concepts, organised by Quality Circle Forum of India, Coimbatore Chapter, at Kumarakom Kerala on 11-11-2019 and 12-11-2019. The unit had presented 2 Quality Circle Projects and 2 Kaizen Projects. All the four projects had won the Gold Award.

Safety Awards

The Alathiyur unit had won State Safety Award under Long Term Low Accident Rate, Low Accident Rate and Long Time No Accident Happened Categories for the year 2014.

The Ariyalur unit had also won State Safety Award under Highest Reduction in Accident Rate, Lowest Weighted Frequency Rate and Longest Accident Free period in Man Hours categories for the year 2015.

The Ramasamy Raja Nagar unit had received First Prize for Industrial Safety under Highest Reduction in Accident Rate for the year 2015. The plant had also received First Prize under Highest Reduction in Accident Rate, Lowest Weighted

Frequency Rate in Accidents in Cement Industry and Longest Accident Free Period in Man Hours for the year 2016.

The awards were instituted by Ministry of Labour, Government of Tamil Nadu and presented by Dr.Nilofer Kafeel, Minister for Labour, Government of Tamil Nadu.

The Ariyalur unit's mines had won First and Second prizes aggregating to 17 Nos. at the Mines Safety Observance Week 2019, organised by Tamil Nadu Mines Safety Association under the aegis of Directorate General of Mines Safety, Chennai Region.

The Ramasamy Raja Nagar Unit's Pandalgudi mines had won Second Prize in the Overall Performance in "A" Class Mines Category in the Mines Safety Observance Week held on 11th August 2019.

Professional Excellence Award

The Company's Chief Executive Officer, Shri.A.V.Dharmakrishnan has been awarded "Professional Excellence Award" on the occasion of Corporate Governance Summit 2019, organised by Institute of Directors, Tamil Nadu Region, on 14th September 2019.

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 was transferred to IEPF as detailed below:

Dividend Details	Amount Transferred - ₹	Date of Transfer to IEPF
Interim Dividend for the year 2011-2012	47,79,004	15-04-2019
Final Dividend for the year 2011-2012	12,62,154	27-08-2019
Interim Dividend for the year 2012-2013	22,18,610	27-11-2019
Second Interim Dividend for the year 2012-2013	20,80,004	05-03-2020

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

No. of Shares	Date of Transfer to IEPF
1,32,304	29-08-2019
2,757	31-08-2019

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

Year	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund	No. of Shares of ₹ 1/- each	Amount of Unclaimed / Unpaid Dividend as on 31-03-2020 – ₹
2012-13	Final Dividend	29-07-2013	28-07-2020	26-08-2020	21,37,371	21,37,371
2013-14	Dividend	28-07-2014	27-07-2021	25-08-2021	22,36,295	22,36,295
2014-15	Dividend	06-08-2015	05-08-2022	01-09-2022	19,12,184	28,68,276
2015-16	Dividend	11-03-2016	10-03-2023	08-04-2023	17,48,935	52,46,805
2016-17	Dividend	04-08-2017	03-08-2024	01-09-2024	19,01,609	57,04,827
2017-18	Dividend	03-08-2018	02-08-2025	31-08-2025	10,49,389	31,48,167
2018-19	Dividend	08-08-2019	07-08-2026	06-09-2026	9,50,762	28,52,286
2019-20	Interim Dividend	03-03-2020	02-03-2027	01-04-2027	6,28,457	15,71,142

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 2020;

(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 2020 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 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,**

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

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[1]Source: World Economic Outlook, June 2020, International Monetary Fund
[2]Source: Central Statistics Office, IMF
[3&4]Source: CARE ratings

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

₹ in Crores

Particulars	**2019-20**	
Name of Subsidiary Company	Ramco Windfarms Limited	Ramco Industrial and Technology Services Limited
Reporting Currency	INR	INR
Share Capital	1.00	4.78
Reserves & Surplus	16.17	7.86
Total Assets	45.00	21.53
Total Liabilities	27.83	8.89
Investments	-	15.30
Turnover/Total Income	14.38	40.93
Profit/(Loss) before Taxation	4.37	0.50
Provision for Taxation	1.22	0.16
Share of Profit / Loss of Associates	-	0.25
Profit /(Loss) after Taxation	3.15	0.59
Other Comprehensive Income	-	0.20
Total Comprehensive Income	3.15	0.79
Proposed Dividend	-	-
Percentage of Shareholding	71.50%	94.11%

PART B – ASSOCIATE COMPANIES

Particulars	**2018-19**	**2018-19**
Name of the Associate Company	Madurai Trans Carrier Limited	Ramco Industries Limited
Latest Audited Balance Sheet Date	31-03-2019	31-03-2019
No. of Shares held as on 31-03-2019	5,37,50,000	1,33,72,500
Amount of Investment in Associate as on 31-03-2019 (₹ in crores)	5.37	20.53
Extent of Shareholding % as on 31-03-2019	29.86	15.43
Description of how there is significant influence	By virtue of direct shareholding	Refer Note below
Reason why associate is not consolidated	Not applicable	Not applicable
Net worth attributable to Shareholding (₹ in crores)	14.43	3,052.18
Profit/(Loss) for the year (Consolidated) (₹ in crores)	(0.24)	175.44
a) Considered in Consolidation (₹ in crores)	(0.07)	12.32
b) Not Considered in Consolidation (₹ in crores)	(0.17)	163.12

Particulars	2018-19	2018-19
Name of the Associate Company	Ramco Systems Limited	Rajapalayam Mills Limited
Latest Audited Balance Sheet Date	31-03-2019	31-03-2019
No. of Shares held as on 31-03-2019	54,17,810	25,600
Amount of Investment in Associate as on 31-03-2019 (₹ in crores)	90.56	0.29
Extent of Shareholding % as on 31-03-2019	17.74%	0.35%
Description of how there is significant influence	Refer Note below	Refer Note below
Reason why associate is not consolidated	Not Applicable	Not Applicable
Net worth attributable to Shareholding (₹ in crores)	578.89	1,701.27
Profit/(Loss) for the year (Consolidated) (₹ in crores)	22.51	103.74
a) Considered in Consolidation (₹ in crores)	4.40	0.16
b) Not Considered in Consolidation (₹ in crores)	18.11	103.58

Particulars	2018-19
Name of the Associate Company	Lynks Logistics Limited
Latest Audited Balance Sheet Date	31-03-2019
No. of Shares held as on 31-03-2019	25,00,00,000
Amount of Investment in Associate as on 31-03-2019 (₹ in crores)	25.00
Extent of Shareholding % as on 31-03-2019	49.16%
Description of how there is significant influence	By virtue of direct shareholding
Reason why associate is not consolidated	Not Applicable
Net worth attributable to Shareholding (₹ in crores)	14.09
Profit/(Loss) for the year (Consolidated) (₹ in crores)	(21.79)
a) Considered in Consolidation (₹ in crores)	(10.78)
b) Not Considered in Consolidation (₹ in crores)	(11.01)

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
Chennai
19-06-2020

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

M. VIJAYAN
Partner
Membership No. 026972

P.R. VENKETRAMA RAJA
Chairman and Managing Director

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 2020

[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 2019 to 31st March 2020 ("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 2020 but before the issue of this audit report;

(ii) Our observations during our visits to the Corporate office and one of the factories of the Company;

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

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

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2020 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 (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (LODR);

(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) and BSE Limited (BSE) (Agreements).

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

1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2020 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 mentioned under sub-paragraphs (i), (ii), (iii), (iv)(a) to (iv)(e) and (v) 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, 1998;

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

(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

2. Board processes:

We further report that:

2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and LODR.

2.2 As on 31st March 2020, the Board has:

(i) One Executive Director; and

(ii) Six Non-Executive Independent Directors including a Woman Independent director.

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

(i) Re-appointment of the retiring director at the 61st Annual General Meeting (AGM) held on 8th August 2019;

(ii) Re-appointment of one Independent Woman Director, Smt. Chitra Venkatraman (DIN 07044099), for a second tenure of five consecutive years from 20th March 2020 to 19th March 2025, approved at the 61st AGM held on 8th August 2019; and

(iii) Appointment of Sri. M.S. Krishnan (DIN 08539017) as an Additional Director, classified as an Independent Director, with effect from 3rd September 2019.

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 except for one Board meeting which was convened at a shorter notice, at which not less than one Independent Director was present as required under Section 173 (3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings other than for one meeting convened at a shorter notice. Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

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

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

2.6 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) Stock options (2,31,000 numbers under ESOS -2018 Plan A and 2,84,600 numbers under ESOS – 2018 Plan B), were granted to some of the employees of the Company, based on the Members approval at the 60th AGM held on 3rd August 2018. The options will vest at the end of one year from the date of their grant.

(ii) Members have accorded their approval to the Board of Directors, by way of Special Resolution passed at the 61st AGM held on 8th August 2019, to offer, issue and allot secured Non-Convertible Debentures (NCDs) upto a limit of ₹ 500 Crores on private placement basis, listed or unlisted, during the period of one year commencing from the 61st AGM. Based on the said approval, 3,950 numbers of Secured Redeemable Non–Convertible Debentures of ₹ 10 Lakhs each amounting to ₹ 395 Crores were issued on private placement basis, allotted and also listed with BSE Limited.

For **S Krishnamurthy & Co.,**
Company Secretaries,

K Sriram,
Partner.
Membership No: F6312
Certificate of Practice No:2215
UDIN: F006312B000356046

Date: 19th June 2020
Place: Chennai

Annexure – A to Secretarial Audit Report of even date

To
The Members,
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 2020 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced and information/ explanation/ representations provided during the course of our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2020 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion / certification obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as the same are being verified by and reported on by the Statutory Auditors.

7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S Krishnamurthy & Co.,**
Company Secretaries,

K Sriram,
Partner.
Membership No: F6312
Certificate of Practice No:2215
UDIN: F006312B000356046

Date: 19th June 2020
Place: Chennai

Annexure - 3

Form MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	:	L26941TN1957PLC003566
ii	Registration Date	:	03-07-1957
iii	Name of the Company	:	THE RAMCO CEMENTS LIMITED
iv	Category / Sub-Category of the Company	:	Public Limited Company
v	Address of the Registered Office and contact details	:	"RAMAMANDIRAM" RAJAPALAYAM – 626 117. Tel: 04563-236436
vi	Whether listed Company	:	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Share transfer is being carried out in-house at, "Auras Corporate Centre", 5th Floor, 98-A, Dr. Radhakrishnan Road, Mylapore, Chennai – 600 004, Tamil Nadu. Tel: 044-2847 8666

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Cement	23942	96.95

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	Ramco Windfarms Limited	U40109TN2013PLC093905	Subsidiary	71.50	2(87)(ii)
2	Ramco Industrial and Technology Services Limited	U74999TN2002PLC048773	Subsidiary	94.11	2(87)(ii)
3	Madurai Trans Carrier Limited	U62100TN2013PLC094059	Associate	29.86	2(6)
4	Ramco Industries Limited	L26943TN1965PLC005297	Associate	15.43	2(6)
5	Ramco Systems Limited	L72300TN1997PLC037550	Associate	17.70	2(6)
6	Rajapalayam Mills Limited	L17111TN1936PLC002298	Associate	0.35	2(6)
7	Lynks Logistics Limited	U60200TN2015PLC103367	Associate	46.21	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	7998340	0	7998340	3.40	7998340	0	7998340	3.40	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	92707220	0	92707220	39.35	92509220	0	92509220	39.26	-0.09
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	**100705560**	**0**	**100705560**	**42.75**	**100507560**	**0**	**100507560**	**42.66**	**-0.09**
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = A(1) + A(2)	**100705560**	**0**	**100705560**	**42.75**	**100507560**	**0**	**100507560**	**42.66**	**-0.09**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	49270989	1000	49271989	20.92	56111493	0	56111493	23.82	2.90
b) Banks / FI	469670	13000	482670	0.20	1472447	0	1472447	0.63	0.43
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	8000000	8000000	3.40	0	8000000	8000000	3.40	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Alternate Investment Funds	63725	0	63725	0.03	12450	0	12450	0.01	-0.02
g) Insurance Companies	4460611	0	4460611	1.89	2546067	0	2546067	1.08	-0.81
h) FIIs	0	0	0	0	0	0	0	0	0
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**54264995**	**8014000**	**62278995**	**26.44**	**60142457**	**8000000**	**68142457**	**28.94**	**2.50**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian *	15924476	8000	15932476	6.76	6237010	4000	6241010	2.65	-4.11
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17700416	1864543	19564959	8.31	17032649	1523933	18556582	7.88	-0.43
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5633973	1072000	6705973	2.85	5358125	1072000	6430125	2.73	-0.12

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others									
NRI	796493	1000	797493	0.34	773391	1000	774391	0.33	-0.01
FPI	27195256	0	27195256	11.54	21001529	0	21001529	8.91	-2.63
IEPF	1141501	0	1141501	0.48	1267891	0	1267891	0.54	0.06
Trusts	3440	2400	5840	0	3340	2400	5740	0	0
Clearing Members	475512	0	475512	0.20	502249	0	502249	0.21	0.01
Qualified Institutional Buyers	67	0	67	0	11353380	0	11353380	4.82	4.82
HUF	718831	0	718831	0.31	738033	0	738033	0.31	0
Employees	52317	2000	54317	0.02	53833	2000	55833	0.02	0
Sub-total (B)(2)	**69642282**	**2949943**	**72592225**	**30.81**	**64321430**	**2605333**	**66926763**	**28.40**	**-2.41**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**123907277**	**10963943**	**134871220**	**57.25**	**124463887**	**10605333**	**135069220**	**57.34**	**0.09**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**224612837**	**10963943**	**235576780**	**100.00**	**224971447**	**10605333**	**235576780**	**100.00**	**0**

* Note: Includes shares in Unclaimed Shares Suspense Account. Opening – 16,800; Closing – 16,800

ii) Shareholding of Promoter and Promoter Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
	PROMOTER							
1	Sri.P.R.Venketrama Raja	1946460	0.83	0.28	1946460	0.83	0.28	0
	PROMOTER GROUP							
2	Ramco Industries Limited	49460420	20.99		49589420	21.05		0.06
3	Rajapalayam Mills Limited	33065000	14.04		33065000	14.04		0
4	Sri Vishnu Shankar Mill Limited	3575200	1.52		3248200	1.37		-0.15
5	The Ramaraju Surgical Cotton Mills Limited	3624000	1.54		3624000	1.54		0
8	Sudharsanam Investments Limited	2982600	1.26		2982600	1.26		0
9	Smt.Saradha Deepa	1946460	0.83	0.56	1946460	0.83	0.56	0
10	Smt.Nalina Ramalakshmi	1946460	0.83		1946460	0.83		0
11	Smt.Ramachandra Raja Chittammal	736000	0.31		736000	0.31		0
12	Smt.R Sudarsanam	1286960	0.54		1286960	0.54		0
13	Sri.S.R.Srirama Raja	120000	0.05		120000	0.05		0
14	Sri.N.R.K.Ramkumar Raja	16000	0.01		16000	0.01		0
	Total	**100705560**	**42.75**	**0.84**	**100507560**	**42.66**	**0.84**	**-0.09**

iii) Change in Promoters' Shareholding

Sl No	Name	Shareholding: No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020): No. of Shares	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020): % of total shares of the Company
1	Ramco Industries Limited	49460420	20.99	27-09-2019	Increase	129000	0.06
		49589420	21.05				
2	Sri Vishnu Shankar Mill Limited	3575200	1.52	11-11-2019	Decrease	130000	0.06
				27-09-2019	Decrease	68000	0.03
				27-09-2019	Decrease	129000	0.06
		3248200	1.37				

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

Sl No	Name	Shareholding: No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020): No. of Shares	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020): % of total shares of the Company
1	The Governor, Government of Tamil Nadu	8000000	3.40	01-04-2019			
		8000000	3.40	31-03-2020			
2	Kotak Standard Multicap Fund	5315600	2.26	01-04-2019			
				05-04-2019	163960	5479560	2.33
				12-04-2019	120440	5600000	2.38
				01-08-2019	-92000	5508000	2.34
				09-08-2019	30400	5538400	2.35
				16-08-2019	-31200	5507200	2.34
				23-08-2019	92800	5600000	2.38
				06-09-2019	7500	5607500	2.38
				13-09-2019	100000	5707500	2.42
				20-09-2019	345953	6053453	2.57
				27-09-2019	81557	6135010	2.60
				04-10-2019	464990	6600000	2.80
				11-10-2019	145000	6745000	2.86
				01-11-2019	72798	6817798	2.89
				15-11-2019	200000	7017798	2.98
				29-11-2019	82202	7100000	3.01
				13-12-2019	54640	7154640	3.04
				20-12-2019	339810	7494450	3.18
				27-12-2019	5550	7500000	3.18
				12-03-2020	179195	7679195	3.26
				13-03-2020	66205	7745400	3.29
				20-03-2020	-31200	7714200	3.27
				27-03-2020	237886	7952086	3.38
		8180215	3.47	31-03-2020	228129	8180215	3.47
3	HDFC Life Insurance Company Limited	4891241	2.08	01-04-2019			
				05-04-2019	60080	4951321	2.10
				26-04-2019	-959	4950362	2.10
				03-05-2019	63	4950425	2.10
				10-05-2019	1076	4951501	2.10
				17-05-2019	56	4951557	2.10
				24-05-2019	120	4951677	2.10

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company			No. of Shares	% of total shares of the Company
				31-05-2019	-18042	4933635	2.09
				07-06-2019	14945	4948580	2.10
				14-06-2019	89	4948669	2.10
				30-06-2019	81	4948750	2.10
				05-07-2019	2824	4951574	2.10
				12-07-2019	21700	4973274	2.11
				19-07-2019	-1232	4972042	2.11
				26-07-2019	10449	4982491	2.12
				01-08-2019	9408	4991899	2.12
				09-08-2019	49863	5041762	2.14
				16-08-2019	-218	5041544	2.14
				23-08-2019	-143	5041401	2.14
				30-08-2019	-3217	5038184	2.14
				06-09-2019	6990	5045174	2.14
				13-09-2019	3370	5048544	2.14
				20-09-2019	32858	5081402	2.16
				27-09-2019	-62	5081340	2.16
				04-10-2019	-134	5081206	2.16
				11-10-2019	18108	5099314	2.16
				18-10-2019	-6	5099308	2.16
				25-10-2019	-1869	5097439	2.16
				01-11-2019	-274	5097165	2.16
				08-11-2019	-2409	5094756	2.16
				15-11-2019	-344	5094412	2.16
				22-11-2019	-1109	5093303	2.16
				29-11-2019	23099	5116402	2.17
				06-12-2019	24934	5141336	2.18
				13-12-2019	-68	5141268	2.18
				20-12-2019	-2616	5138652	2.18
				27-12-2019	61089	5199741	2.21
				31-12-2019	12145	5211886	2.21
				03-01-2020	-2092	5209794	2.21
				10-01-2020	-56	5209738	2.21
				17-01-2020	12	5209750	2.21
				24-01-2020	-237	5209513	2.21
				31-01-2020	25019	5234532	2.22
				07-02-2020	25200	5259732	2.23
				14-02-2020	200	5259932	2.23
				21-02-2020	200	5260132	2.23
				28-02-2020	200	5260332	2.23
				06-03-2020	94910	5355242	2.27
				12-03-2020	10448	5365690	2.28
				13-03-2020	44766	5410456	2.30
				20-03-2020	211758	5622214	2.39
				27-03-2020	127181	5749395	2.44
		5749979	2.44	31-03-2020	584	5749979	2.44

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company			No. of Shares	% of total shares of the Company
4	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund	3487781	1.48	01-04-2019			
				01-11-2019	-157901	3329880	1.41
				10-01-2020	-15000	3314880	1.41
		3314880	1.41	31-03-2020			
5	The New India Assurance Company Limited	3215273	1.36	01-04-2019			
				30-06-2019	-54116	3161157	1.34
				05-07-2019	-29000	3132157	1.33
				12-07-2019	-10000	3122157	1.33
				19-07-2019	-40000	3082157	1.31
				09-08-2019	-80000	3002157	1.27
				06-09-2019	-2911	2999246	1.27
				13-09-2019	-45000	2954246	1.25
				20-09-2019	-33437	2920809	1.24
				27-09-2019	-80000	2840809	1.21
				30-09-2019	-10000	2830809	1.20
				04-10-2019	-4858	2825951	1.20
				25-10-2019	-35434	2790517	1.18
				01-11-2019	-64566	2725951	1.16
				08-11-2019	-100000	2625951	1.11
				13-12-2019	-125000	2500951	1.06
				20-12-2019	-65000	2435951	1.03
				31-12-2019	-44000	2391951	1.02
				03-01-2020	-36000	2355951	1.00
				28-02-2020	-17500	2338451	0.99
				20-03-2020	100000	2438451	1.04
		2498451	1.06	31-03-2020	60000	2498451	1.06
6	L and T Mutual Fund Trustee Limited - L and T Hybrid Equity Fund	3083000	1.31	01-04-2019			
				26-04-2019	-262439	2820561	1.20
				10-05-2019	-392000	2428561	1.03
				30-06-2019	-39762	2388799	1.01
				05-07-2019	-106667	2282132	0.97
				12-07-2019	-275000	2007132	0.85
				09-08-2019	52500	2059632	0.87
				20-09-2019	-56298	2003334	0.85
				08-11-2019	-153500	1849834	0.79
				06-12-2019	-52000	1797834	0.76
				31-12-2019	-60000	1737834	0.74
		1737834	0.74	31-03-2020			
7	Shamyak Investment Private Limited	3000000	1.27	01-04-2019			
		3000000	1.27	31-03-2020			

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company			No. of Shares	% of total shares of the Company
8	DSP Midcap Fund	2931525	1.24	01-04-2019			
				07-06-2019	98016	3029541	1.29
				12-07-2019	-4715	3024826	1.28
				19-07-2019	-81210	2943616	1.25
				26-07-2019	-17991	2925625	1.24
				01-08-2019	-139780	2785845	1.18
				06-09-2019	-217913	2567932	1.09
				13-09-2019	-177629	2390303	1.01
				13-03-2020	686777	3077080	1.31
				20-03-2020	275262	3352342	1.42
				27-03-2020	73699	3426041	1.45
		3426041	1.45	31-03-2020			
9	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund	2744401	1.16	01-04-2019			
				06-12-2019	2744401	0	
		0	0	31-03-2020			
10	Tree Line Asia Master Fund (Singapore) Pte Ltd	2270000	0.96	01-04-2019			
				13-09-2019	-570000	1700000	0.72
				07-02-2020	-50000	1650000	0.70
				14-02-2020	-40000	1610000	0.68
				06-03-2020	-760000	850000	0.36
		0	0	31-03-2020			

Notes:

* The top 10 shareholders are based on the shareholding as on 01-04-2019 and the information relating to increase / decrease in their shareholding is provided based on the weekly Beneficiary Position received from Depositories.
* Reason for decrease / increase in shareholding - "Transfers"

v) Shareholding of Directors and Key Managerial Personnel

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Sri.P.R.Venketrama Raja	1946460	0.83	N.A.	N.A.	N.A.	NIL	NIL
		1946460	0.83	N.A.	N.A.	N.A.	1946460	0.83
2	Sri.R.S.Agarwal	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
3	Sri.M.B.N.Rao	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
4	Sri.M.M.Venkatachalam	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
5	Smt. Justice Chitra Venkataraman (Retd.)	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
6	Sri.M.F.Farooqui, IAS (Retd.)	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
7	Sri.M.S.Krishnan	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
8	Sri.A.V.Dharmakrishnan	40000	0.01	N.A.	N.A.	N.A.	NIL	NIL
		40000	0.01	N.A.	N.A.	N.A.	40000	0.01
9	Sri.S.Vaithiyanathan	7900	--	N.A.	N.A.	N.A.	NIL	NIL
		7900	--	N.A.	N.A.	N.A.	7900	--
10	Sri.K.Selvanayagam	NIL	NIL	N.A	N.A	N.A	NIL	NIL

V. INDEBTEDNESS

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

(₹ in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	721.79	896.91	-	1,618.70
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	1.27	0.09	-	1.36
Total (i + ii + iii)	723.06	897.00	-	1,620.06
Change in indebtedness during the financial year				
* Addition	1,610.70	7.99	-	1,618.69
* Reduction	104.16	99.73	-	203.89
Net Change	1,506.54	(91.74)	-	1,414.80
Indebtedness at the end of the financial year				
i. Principal Amount	2,218.94	805.15	-	3,024.09
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	10.66	0.11	-	10.77
Total (i + ii + iii)	2,229.60	805.26	-	3,034.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sl No	Particulars of Remuneration	Name of MD	Name of WTD	Name of Manager	Total Amount
		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) Income-tax Act, 1961	39,600	--	--	39,600
2	Commission – as % of profit	39,55,83,380	--	--	39,55,83,380
3	Contribution towards Provident Fund	14,40,000	--	--	14,40,000
4	Contribution towards Superannuation Fund	--	--	--	--
5	Medical Reimbursement	--	--	--	--
6	Sitting fees	10,50,000	--	--	10,50,000
	Total (A)	41,01,12,980	--	--	41,01,12,980
	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 ₹)

Sl No	Particulars of Remuneration	Name of the Directors						Total Amount
		Sri.R.S. Agarwal	Sri.M.B.N. Rao	Sri.M.M. Venkatachalam	Smt. Justice Chitra Venkataraman (Retd.)	Sri.M.F. Farooqui, IAS (Retd.)	Sri.M.S. Krishnan	
1	Independent Directors							
	Fee for attending board/ committee meetings	9,75,000	9,00,000	11,25,000	6,75,000	4,50,000	3,00,000	44,25,000
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (1)	9,75,000	9,00,000	11,25,000	6,75,000	4,50,000	3,00,000	44,25,000
2	Other Non-Executive Directors							
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	9,75,000	9,00,000	11,25,000	6,75,000	4,50,000	3,00,000	44,25,000
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)								41,45,37,980

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

(In ₹)

Sl No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr.A.V.Dharmakrishnan, CEO	Mr.K.Selvanayagam, Company Secretary	Mr.S.Vaithiyanathan, CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,17,51,766	1,13,59,273	1,52,75,171	16,83,86,210
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	20,42,715	21,600	83,460	21,47,775
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Sweat Equity	-	-	-	-
3	Commission – as % of profit	-	-	-	-
4	Others	-	-	-	-
	Total	14,37,94,481	1,13,80,873	1,53,58,631	17,05,33,985
5	Stock Option				
	No. of Stock Option	2,00,000	29,000	40,000	2,69,000
	Fair Value per Stock Option	660.81	660.81	660.81	660.81

Note : The Company has granted stock options to KMPs during the year, which are due for vesting on 6th August 2020 and exercisable on or before 31st December 2021.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishments / compounding of offences for the year ended 31st March 2020.

On behalf of the Board of Directors,
For **THE RAMCO CEMENTS LIMITED,**

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

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 of Directors is headed by the Chairman and Managing Director, Shri.P.R.Venketrama Raja. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Engineering, Law, Information Technology, etc.

The Board had 7 Directors as on 31-03-2020. Except Shri. P.R.Venketrama Raja all other Directors were 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 Regulations 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.P.R.VENKETRAMA RAJA

Shri.P.R.Venketrama Raja aged 61, 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

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

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 visited USA, UK, Germany, France, Switzerland, Spain, Malaysia, Philippines, Thailand, Hong Kong and China in connection with multifarious responsibilities assigned to him.

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
K G Denim Limited	Non-Executive & Independent
Taj GVK Hotels and Resorts Limited	Non-Executive & Independent
Apollo Hospitals Enterprises Limited	Non-Executive & Independent

SHRI.M.M.VENKATACHALAM

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.)

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 about 10 years. She was elevated as Judge of Madras High Court in the year 2005 and retired in April 2014.

She has been on the Board of 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

SHRI.M.F.FAROOQUI, IAS (RETD.)

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.M.S.KRISHNAN

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 19-06-2020 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.

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	22-05-2019	07-08-2019	30-10-2019	05-12-2019	29-01-2020	03-03-2020	Attendance at last AGM held on 08-08-2019
1	Shri.P.R.Venketrama Raja Chairman & Managing Director DIN: 00331406. Directorship: P & E	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Shri.R.S.Agarwal DIN: 00012594. Directorship: NE & ID	Yes	Yes	Yes	Leave	Yes	Yes	Yes
3	Shri.M.B.N.Rao DIN: 00287260. Directorship: NE & ID	Yes	Yes	Yes	Leave	Yes	Yes	Yes

Sl. No	Name of the Director, Director Identification Number (DIN) & Directorship	22-05-2019	07-08-2019	30-10-2019	05-12-2019	29-01-2020	03-03-2020	Attendance at last AGM held on 08-08-2019
4	Shri.M.M.Venkatachalam DIN: 00152619. Directorship: NE & ID	Yes	Yes	Leave	Yes	Yes	Yes	Yes
5	Smt. Justice Chitra Venkataraman (Retd.) DIN: 07044099. Directorship: NE & ID	Yes	Leave	Leave	Yes	Yes	Yes	Leave
6	Shri.M.F.Farooqui, IAS (Retd.) DIN: 01910054. Directorship: NE & ID	Yes	Yes	Yes	Leave	Yes	Yes	Yes
7	Shri.M.S.Krishnan * DIN: 08539017. Directorship: NE & ID	NA	NA	Yes	Leave	Yes	Yes	NA

* Co-opted as Additional Director with effect from 03-09-2019.

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 31-03-2020 are given below:

No	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri.P.R.Venketrama Raja	8	4	1
2.	Shri.R.S.Agarwal	3	1	2
3.	Shri.M.B.N.Rao	8	1	3
4.	Shri.M.M.Venkatachalam	7	1	4
5.	Smt.Justice Chitra Venkataraman (Retd.)	2	--	4
6.	Shri.M.F.Farooqui, IAS (Retd.)	1	--	1
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.

Details of familiarisation programme for Independent Directors:

The details of the familiarisation programme for Independent Directors are available at the Company's website, at the following link at https://ramcocements.net/ramcocements/pdffiles/DIRECTORS%20FAMILIARISATION%20PROGRAMME.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 at http://ramcocements.net/ramcocements/pdffiles/policies/CODE%20OF%20CONDUCT%20FOR%20BOD%20AND%20SMP%202015.pdf

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.

Composition and Attendance of the Audit Committee:

The Composition of the Audit Committee and the details of the attendance of its Members are as follows:

No	Name of the Director	22-05-2019	07-08-2019	30-10-2019	29-01-2020	03-03-2020
1.	Shri.R.S.Agarwal, Chairman of the Committee	Yes	Yes	Yes	Yes	Yes
2.	Shri.P.R.Venketrama Raja	Yes	Yes	Yes	Yes	Yes
3.	Shri.M.M.Venkatachalam	Yes	Yes	Leave	Yes	Yes
4.	Shri.M.B.N.Rao	Yes	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.

3/4th of the members of the Audit Committee are Independent Directors as against the minimum requirements of 2/3rd as stipulated in Regulation 18(1)(b) of LODR.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, LODR and functions as mandated by the Board of Directors from time to time. 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.

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 –

http://ramcocements.net/ramcocements/pdffiles/policies/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf

Composition and Attendance of the Nomination and Remuneration Committee:

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	22-05-2019	07-08-2019
1.	Shri.R.S.Agarwal, Chairman of the Committee	Yes	Yes
2.	Shri.P.R.Venketrama Raja	Yes	Yes
3.	Shri.M.M.Venkatachalam	Yes	Yes
4	Smt. Justice Chitra Venkataraman (Retd.)	Yes	Leave

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 re-appointment of respective Independent Director.

5. REMUNERATION OF DIRECTORS

The Directors are paid Sitting Fee of ₹ 75,000/- 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 04-08-2017 and the remuneration is equivalent to 5% of the Net Profits of the Company and where in any financial year during the currency of his tenure, not being more than three such financial years over the entire tenure of five years, the Company has no profit or inadequate profit, the Managing Director shall be paid remuneration as approved by the Board and the Nomination and Remuneration Committee which shall not exceed the double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013.

The details of remuneration paid for the financial year 2019-20 are as follows:

	(₹ in lacs)			
Name of the Director	Sitting Fee	Remuneration	Commission & Others	No. of Shares held
Shri.P.R.Venketrama Raja	10.50	134.79	3,955.83	19,46,460
Shri.R.S.Agarwal	9.75	NIL	NIL	NIL
Shri.M.B.N.Rao	9.00	NIL	NIL	NIL
Shri.M.M.Venkatachalam	11.25	NIL	NIL	NIL
Smt.Justice Chitra Venkataraman (Retd.)	6.75	NIL	NIL	NIL
Shri.M.F.Farooqui, IAS (Retd.)	4.50	NIL	NIL	NIL
Shri.M.S.Krishnan	3.00	NIL	NIL	NIL

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Attendance of the 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	28-01-2020
1.	Shri.M.M.Venkatachalam, Chairperson of the Committee	Yes
3.	Shri.P.R.Venketrama Raja	Leave
4	Smt. Justice Chitra Venkataraman (Retd.) *	Yes

* Nominated as the Member of the Committee by the Board of Directors with effect from 07-08-2019

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	:	8
Number not solved to the satisfaction of shareholders	:	NIL
Number of pending complaints	:	NIL

7. GENERAL BODY MEETINGS

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

Year ended	Date	Time	Venue
31-03-2017	04-08-2017	10.15 AM	P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam – 626 108, Tamil Nadu.
31-03-2018	03-08-2018	10.15 AM	-do-
31-03-2019	08-08-2019	10.15 AM	-do-

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

Date of the AGM	Subject Matter of the Special Resolution
08-08-2019	To approve giving of loan including any loan represented by a book-debt or giving guarantee or providing security to Subsidiary / Associate Companies upto an aggregate limit of ₹ 250 crores.
	To approve issue of Debentures upto a limit of ₹ 500 crores
	Reappointment of Smt. Justice Chitra Venkataraman (Retd.) as Independent Director for a period of 5 years from 20-03-2020 to 19-03-2025
03-08-2018	To approve issue of Debentures upto a limit of ₹ 1,000 crores
	Appointment of Shri.R.S.Agarwal as Independent Director of the Company for a period of 5 years from 01-04-2019 to 31-03-2024
	Appointment of Shri.M.B.N.Rao as Independent Director of the Company for a period of 5 years from 01-04-2019 to 31-03-2024
	Appointment of Shri.M.M.Venkatachalam as Independent Director of the Company for a period of 5 years from 01-04-2019 to 31-03-2024
	To approve Employee Stock Option Schemes : ESOS 2018 – PLAN A and ESOS 2018 – PLAN B
04-08-2017	To appoint Shri. P.R.Venketrama Raja as Chairman & Managing Director
	To approve issue of Debentures upto a limit of ₹ 500 crores

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.

8. 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 are provided to the Stock Exchanges. Official News releases are given directly to the Press and the Company's website also displays the official news releases.

9. GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting	:	On 07-09-2020 at 10.00 AM through Video Conference / Other Audio Visual Means
b.	Financial Year	:	1st April 2019 to 31st March 2020
c.	Dividend Payment date	:	16-03-2020 (Interim Dividend – Already paid)
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. BSE Limited, "P.J.Towers", Dalal Street, Mumbai – 400 001. The Annual Listing Fee for the year 2020-21 has been paid to the Stock Exchanges.
e.	Stock Code	:	BSE Limited: 500260 National Stock Exchange of India Limited: RAMCOCEM

f.	Market Price Data	:	Enclosed as Annexure – A.
g.	Performance in comparison to broad based indices	:	
h.	Whether the securities are suspended from trading	:	No
i.	Registrar and Transfer Agents	:	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. 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 2020, 95.50% 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	:	With respect to Buyers' Credit in foreign currencies, forward contracts are booked taking into account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any.

o. Plant Locations

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. Mathodu – 577 533, Hosadurga, Chitradurga District, Karnataka.

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. Gobburupalam, Amir Sahib Peta Post–531 055, Kasimkota Mandal, Vizag, Andhra Pradesh.

v. Kharagpur – 721 304, Paschim Medinipur, West Bengal.

Packing Plant

Kumarapuram, Aralvaimozhi–629 301, Kanyakumari District, Tamil Nadu.

Readymix Concrete Plant

Medavakkam-Mambakkam Road, Vengaivasal, Chennai – 600 100, Tamil Nadu.

Dry Mortar Plant

F-14, SIPCOT Industrial Park, Sriperumbudur – 602 106, 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 our borrowing programmes as follows:

RATINGS BY ICRA

Security	Limit / Outstanding as on 31-03-2020	Amount – ₹ in crores	Rating
Commercial Papers	Limit	900	[ICRA] A1+
Fund Based Facilities			
* Cash Credit	Limit	735	[ICRA] AA+ (Stable)
* Short Term Loan / Buyers' Credit and Other Facilities	Limit	250	[ICRA] A1+
Non-Fund Based Facilities	Limit	485	[ICRA] A1+
Long Term Loans from Bank	Limit	1550	[ICRA] AA+ (Stable)
Non-Convertible Debentures	Limit	400	[ICRA] AA+ (Stable)

RATINGS BY CRISIL

Security	Limit as on 31-03-2020	Amount – ₹ in crores	Rating
Commercial Papers	Limit	900	CRISIL A1+

There had been no revision in the ratings during the year.

10. 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. 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 :

http://ramcocements.net/ramcocements/pdffiles/policies/WHISTLE%20BLOWER%20POLICY.pdf

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 2019-20.

e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink is –

http://ramcocements.net/ramcocements/pdffiles/policies/MATERIAL%20SUBSIDIARY%20POLICY%202015.pdf

f. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is –

http://ramcocements.net/ramcocements/pdffiles/policies/RELATED%20PARTY%20TRANSACTION%20POLICY%202015.pdf

g. Commodity Price Risks and Commodity Hedging Activities:

The Company has not undertaken any transaction in this regard.

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 Board / Ministry of Corporate Affairs or any such statutory authority.

j. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.

k. Total Fee paid to Statutory Auditors including subsidiaries

The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditor is ₹ 0.35 crores.

No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by our subsidiaries. The Subsidiary Companies have separate Statutory Auditors not connected with the Company's Statutory Auditor.

l. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

11. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of LODR.

12. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 10(d) above.

13. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.

As required under Regulation 46(2)(b) to (i) of LODR, the following information have been duly disseminated in the Company's website.

- * Terms and conditions of appointment of Independent Directors
- * Composition of various committees of Board of Directors
- * Code of Conduct of Board of Directors and Senior Management Personnel
- * Details of establishment of Vigil Mechanism/Whistle Blower Policy
- * Criteria of making payments to Non-Executive Directors
- * Policy on dealing with Related Party Transactions
- * Policy for determining 'Material Subsidiaries'
- * Details of familiarization Programmes imparted to Independent Directors

14. The Company has no material subsidiary.

15. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiary are being placed before the Board of Directors of the Company.

16. The Management of the unlisted subsidiary periodically brings to the notice of the Board, a statement on significant transactions and arrangements entered into by them.

17. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.

18. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter 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

Composition and Attendance of the 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	22-05-2019
1	Shri.M.M.Venkatachalam Chairperson of the Committee	Yes
2	Shri.P.R.Venketrama Raja	Yes
3	Smt.Justice Chitra Venkataraman (Retd.)	Yes

RISK MANAGEMENT COMMITTEE

Composition and Attendance of the Risk Management Committee:

The Composition of the Risk Management Committee and the details of the attendance of its Members are as follows:

No	Name of the Member	26-12-2019
	Members of the Board	
1	Shri.M.B.N.Rao, Chairperson of the Committee	Yes
2	Shri.P.R.Venketrama Raja	Leave
3	Shri.M.M.Venkatachalam	Yes
4	Smt. Justice Chitra Venkataraman (Retd.)	Yes
	Non-Members of the Board	
5	Shri.A.V.Dharmakrishnan	Yes
6	Shri.M.Srinivasan	Yes
7	Shri.S.Vaithiyanathan	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 ₹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;	0	0
(c)	number of shareholders to whom shares were transferred from suspense account during the year;	0	0
(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	6	16800
(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 2020.

for **THE RAMCO CEMENTS LIMITED,**
A.V.DHARMAKRISHNAN
Chief Executive Officer

Chennai
19-06-2020

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 2019-20 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;

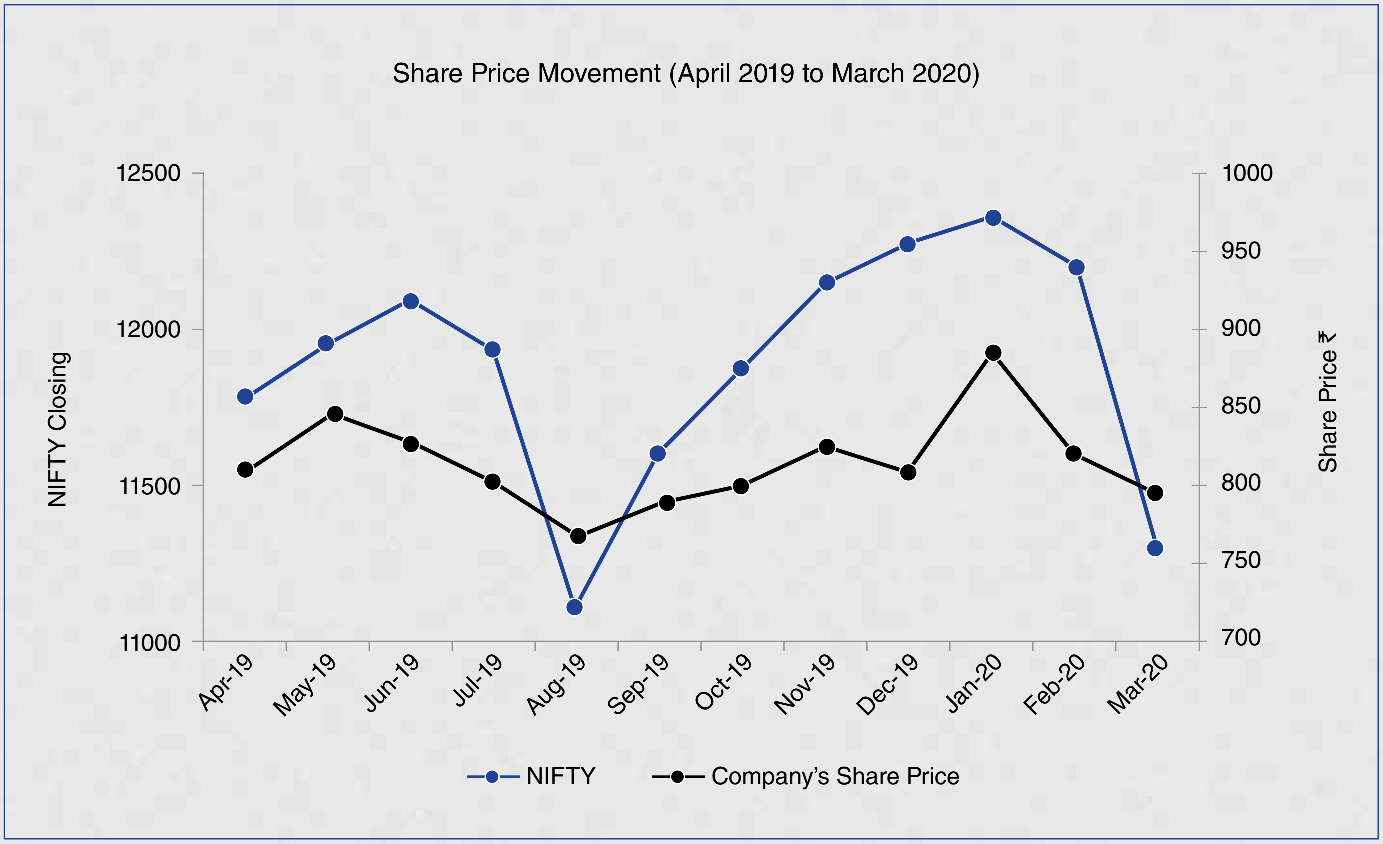
   3. there are no instances of significant fraud of which we have become aware.

Chennai	**S.VAITHIYANATHAN**	**A.V.DHARMAKRISHNAN**
19-06-2020	Chief Financial Officer	Chief Executive Officer

STATISTICAL DATA

Share Price High & Low / Volume (from April 2019 to March 2020 in NSE & BSE)

Month	NSE			BSE		
	High ₹	Low ₹	No. of Shares Traded	High ₹	Low ₹	No. of Shares Traded
April 2019	808	737	65,02,549	808	738	2,26,086
May	845	718	64,59,836	845	719	5,81,393
June	827	771	51,37,804	828	769	3,47,332
July	802	727	54,74,413	803	728	1,14,861
August	767	684	67,75,410	768	684	1,96,112
September	788	692	60,27,835	788	693	3,02,428
October	799	693	73,31,820	799	695	2,38,721
November	824	771	66,66,453	824	771	1,82,416
December	806	745	41,02,976	806	746	1,65,545
January 2020	884	742	1,81,37,640	883	743	5,38,678
February	819	748	68,77,119	818	750	1,74,711
March	792	466	1,50,94,941	792	474	2,73,319
Year 2019-20	**884**	**466**	**9,45,88,796**	**883**	**474**	**33,41,602**



Annexure - B

Pattern of Shareholding as on 31-03-2020

Description	Total Shareholders	%	Total Shares	%
Promoter and Promoter Group				
1) Residents	7	0.023	79,98,340	3.40
2) Body Corporates	5	0.016	9,25,09,220	39.26
Sub-Total	12	0.039	10,05,07,560	42.66
Non-Promoters Holding				
1) Residents	27,981	91.934	2,49,86,707	10.61
2) NRIs	1,063	3.493	7,74,391	0.33
3) Body Corporate	399	1.311	62,41,010	2.65
4) Mutual Funds	25	0.082	5,61,11,493	23.82
5) Banks	1	0.003	11	0.00
6) State Government	1	0.003	80,00,000	3.40
7) Financial Institutions	2	0.007	14,72,436	0.63
8) Foreign Portfolio Investors	120	0.394	2,10,01,529	8.91
9) Trusts	3	0.011	5,740	0.00
10) Clearing Member	84	0.276	5,02,249	0.21
11) IEPF	1	0.003	12,67,891	0.54
12) Alternative Investment Funds	2	0.007	12,450	0.01
13) HUF	621	2.040	7,38,033	0.31
14) Qualified Institutional Buyer	19	0.062	1,38,99,447	5.90
15) Employees	102	0.335	55,833	0.02
Sub-Total	30,424	99.961	13,50,69,220	57.34
Total	**30,436**	**100.000**	**23,55,76,780**	**100.00**

Distribution of Shareholding as on 31-03-2020

Description	Total Shareholders	%	Total Shares	%
a) Upto - 500	26,122	85.83	20,67,086	0.88
b) 501 to 1000	1,422	4.67	11,61,308	0.49
c) 1001 to 2000	982	3.22	15,92,422	0.68
d) 2001 to 3000	301	0.99	7,82,885	0.33
e) 3001 to 4000	416	1.37	15,79,176	0.67
f) 4001 to 5000	149	0.49	6,95,926	0.30
g) 5001 to 10000	468	1.54	35,16,422	1.49
h) 10001 & above	576	1.89	22,41,81,555	95.16
Total	**30,436**	**100.00**	**23,55,76,780**	**100.00**

Category of Shareholding as on 31-03-2020

Description	Total Shareholders	%	Total Shares	%
Dematerialised Form - CDSL & NSDL	30,156	99.08	22,49,71,447	95.50
Physical Form	280	0.92	1,06,05,333	4.50
Total	**30,436**	**100.00**	**23,55,76,780**	**100.00**

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 2020, 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 and 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 and Stakeholder's Relationship 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 Secretaries.

The Company is required to comply with the said conditions of Corporate Governance on account of:

(a) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for listing its equity shares.

The Company's management is responsible for compliance with the conditions of Corporate Governance. We have broadly reviewed 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 2020, 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,

K Sriram,
Partner.
Membership number: F6312
Certificate of Practice No. 2215
UDIN: F006312B000356081

Date: 19th June 2020
Place: Chennai

Annexure - 5A

Certificate from Company Secretary in Practice

[In terms of 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 Directors on the Board of THE RAMCO CEMENTS LIMITED ("the Company) as on the 31st March 2020, as listed below, 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.	Poosapadi Ramasubrahmaneya Rajha Venketrama Raja	Chairman and Managing Director (KMP)	00331406
2.	Radhey Shyam Agarwal	Independent Director	00012594
3.	Bhaskara Mandavilli Nageswara Rao	Independent Director	00287260
4.	Murugappan Muthiah Venkatachalam	Independent Director	00152619
5.	Chitra Venkataraman	Independent Director	07044099
6.	Farooqui Fayazuddin Mohammed	Independent Director	01910054
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. Our verification of the information relating to the directors available in the official web site of MCA:
2. Our verification of the disclosures / declarations / confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that 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 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 Corporate Governance process followed by the management of the Company.

For **S Krishnamurthy & Co.,**
Company Secretaries,

K Sriram,
Partner.
Membership number: F6312
Certificate of Practice No. 2215
UDIN: F006312B000356123

Date: 19th June 2020
Place: Chennai

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy

   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.

   Weblink to the CSR Policy:

   http://ramcocements.net/ramcocements/pdffiles/policies/CSR%20POLICY%20OF%20TRCL.pdf

2. The Composition of the CSR Committee:
   1. Shri.M.M.Venkatachalam, Chairperson of the Committee
   2. Shri.P.R.Venketrama Raja, Member
   3. Smt. Justice Chitra Venkataraman (Retd.), Member

3. Average net profit of the Company for last three financial years – ₹ 779.81 crores

4. Prescribed CSR Expenditure – ₹ 15.60 crores (2% of the amount as in item 3 above)

5. Details of CSR spent during the financial year
   a. Total amount spent for the financial year – ₹ 14.99 crores
   b. Amount unspent, if any – ₹ 0.61 crores
   c. Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programmes (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or programs-wise – ₹ in crores**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: - ₹ in crores**	**Cumulative expenditure up to the reporting period – ₹ in crores.**	**Amount spent Direct or through implementing agency ₹ in crores**
1	Eradicating Hunger, Poverty and Malnutrition, promoting health care including preventive health care and Sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available Safe Drinking Water. [Clause (i)]	Health Care	In & around Factory areas and Corporate Office, Chennai	4.08	4.08	4.08	Direct 2.53 Indirect 1.55
2	Promoting Education, including Special Education and Employment Enhancing Vocation Skills especially among Children, Women, Elderly, and the Differently abled and Livelihood Enhancement Projects. [Clause (ii)]	Education	In & around Factory areas and Corporate Office, Chennai	5.84	5.84	5.84	Direct 4.74 Indirect 1.10

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs-wise – ₹ in crores	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: - ₹ in crores	Cumulative expenditure up to the reporting period – ₹ in crores.	Amount spent Direct or through implementing agency ₹ in crores
3	Promoting Gender Equality, Empowering Women, setting up Homes and Hostels for Women and Orphans, setting up Old Age Homes, Day Care Centres and such other facilities for Senior Citizens and measures for reducing inequalities faced by socially and economically backward group. [Clause (iii)]	Women Empowerment	In & around Factory areas and Corporate Office, Chennai	0.03	0.03	0.03	Direct 0.015 Indirect 0.015
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga [Clause (iv)]	Conservation of Environment	In & around Factory areas and Corporate Office, Chennai	0.77	0.77	0.77	Direct 0.50 Indirect 0.27
5	Protection of National Heritage, Art and Culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts. [Clause (v)]	Protection of Heritage	In & around Factory areas and Corporate Office, Chennai	2.07	2.07	2.07	Direct 0.91 Indirect 1.16
6	Measures for the benefit of Armed Forces Veterans, War Widows and their dependents. [Clause (vi)]	Benefit of Armed Forces	In & around Factory areas and Corporate Office, Chennai	0.02	0.02	0.02	Direct 0.02 Indirect --
7	Training to promote Rural Sports, Nationally recognised sports, Paralympic Sports and Olympic Sports [Clause (vii)]	Promotion of Sports	In & around Factory areas and Corporate Office, Chennai	0.62	0.62	0.62	Direct 0.56 Indirect 0.06
8	Rural Development Projects [Clause (x)]	Rural Development	In & around Factory areas and Corporate Office, Chennai	1.56	1.56	1.56	Direct 1.23 Indirect 0.33
	Total			**14.99**	**14.99**	**14.99**	**14.99**

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

Chennai
19-06-2020

M.M.VENKATACHALAM
Director & Chairman of the CSR Committee

A.V.DHARMAKRISHNAN
Chief Executive Officer

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 P.A.C.Ramasamy Raja Education Charity Trust The Ramco Cements Limited Educational & Charitable Trust Rajapalayam Rotary Trust PACR Sethuramammal Charities P.A.C.R.Sethuramammal Charity Trust Ramco Welfare Trust P.A.C.Ramasamy Raja Centenary Trust Smt. Lingammal Ramaraju Shastra Prathista Trust Shri Ahinava Vidyatheertha Seva Trust Shri.P.R.Venketrama Raja, Chairman & 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 @ ₹ 200/- per bag.
(e)	Justification for entering into such contracts or arrangements or transactions	:	The above trusts are Public Charitable Trusts and the cement is sold not for trading. The price per bag is ₹ 200/- as against ₹ 185/- per bag, the price at which cement is being sold to Government of Tamil Nadu, under "Amma Cement Supply Scheme".
(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**,

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

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 system (CWHR) to reduce the thermal energy consumption in Thermal Power Plant. Installation of Variable Frequency Drive (VFD) for process fans to reduce electrical energy. Installation of energy efficient air-cooled condenser fans in thermal power plant to reduce electrical energy. Installation of VFD for compressors to reduce electrical energy. Installation of High efficiency water pumps to reduce electrical energy. Installation of LED lights replacing high wattage High Pressure Sodium Vapour lights.
	(ii) the steps taken by the company for utilising alternate sources of energy;	Replacing Diesel with waste tyre oil for Kilns during start up. Part replacement of fuel in Kiln by usage of power plant ash as an alternative fuel. Part replacement of fuel in Thermal Power Plant by usage of rubber waste as an alternative fuel. Usage of solar power for part replacement of Electrical energy requirement at Mines office. Part replacement of Diesel with Bio-Diesel in Earth Moving equipment as an alternative fuel.
	(iii) the capital investment on energy conservation equipments;	₹ 206.16 crores
(B)	Technology absorption-	
	(i) the efforts made towards technology absorption	Installation of High efficiency IE3 type motors for driving equipment. Installation of Energy Dispersive X-Ray Fluorescence for determining the chemical analysis of raw materials, Clinker and cement. Implementation of Energy Management System for monitoring electrical energy distribution. Application of Computational Fluid Dynamics (CFD) for identifying the potential scope for reducing energy.
	(ii) the benefits derived;	Increase in efficiency of Motors resulting in power saving. Increase in analysing frequency and close monitoring of quality of materials at different stages of manufacturing. Reduction in Electrical energy and close monitoring of electrical energy used at different stages of manufacturing. Reduction in Electrical energy consumption and scope for productivity improvement.

<table>
<tr><td></td><td>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
(a) the details of technology imported;
(b) the year of import;
(c) whether the technology been fully absorbed;
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</td><td colspan="2">Import of High efficiency, low Nox burner from M/s Pillard, France, for better fuel combustion, reduced fuel consumption and reduced Nox levels. (Year of Import : 2017)
Import of Energy dispersive X-Ray Fluorescene (XRF) manufactured by M/s SPECTRA - XEPOS, Germany, for determining the chemical analysis of Raw Materials, Clinker and Cement (Year of Import : 2017)</td></tr>
<tr><td rowspan="4"></td><td rowspan="4">(iv) the expenditure incurred on Research and Development.</td><td>Particulars</td><td>Amount – ₹ in crores</td></tr>
<tr><td>Capital</td><td>0.35</td></tr>
<tr><td>Revenue</td><td>4.20</td></tr>
<tr><td>Total</td><td>4.55</td></tr>
<tr><td>(C)</td><td>Foreign Exchange Earnings and Outgo</td><td colspan="2"></td></tr>
<tr><td></td><td>Particulars</td><td colspan="2">Amount – ₹ in crores</td></tr>
<tr><td></td><td>Foreign Exchange earned in terms of Actual Inflows</td><td colspan="2">71.47</td></tr>
<tr><td></td><td>Foreign Exchange outgo in terms of Actual Outflows</td><td colspan="2">480.23</td></tr>
</table>

On behalf of the Board of Directors,
For **THE RAMCO CEMENTS LIMITED**,

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

Annexure - 9

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

i. & ii. The ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of Chairman & Managing Director (CMD), Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, in the Financial Year 2019-20.

Name of Director / KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20 (₹ in crores)	% increase in remuneration in the Financial year 2019-20	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
Shri.P.R.Venketrama Raja	41.01	10	654	The Profit before tax increased by 10% and Total Comprehensive income increased by 18% in financial year 2019-20
Shri.R.S.Agarwal	0.10	17	1.55	
Shri.M.B.N.Rao	0.09	14	1.44	
Shri.M.M.Venkatachalam	0.11	67	1.79	
Smt. Justice Chitra Venkataraman (Retd.)	0.07	12	1.08	
Shri.M.F.Farooqui, IAS (Retd.)	0.04	-14	0.72	
Shri.M.S.Krishnan	0.03	--	0.48	
Shri.A.V.Dharmakrishnan Chief Executive Officer	14.38	8	229	The Profit before tax increased by 10% and Total Comprehensive income increased by 18% in financial year 2019-20
Shri.S.Vaithiyanathan Chief Financial Officer	1.54	15	24	
Shri.K.Selvanayagam Secretary	1.14	13	18	

iii. The median remuneration of the employees during the financial year was ₹ 6,27,076/- and the percentage increase in the median remuneration was 13.66%.

iv. There were 3,327 permanent employees on the rolls of the Company, as on 31st March 2020.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2019-20 was 13.36% and the increase in the managerial remuneration for the same financial year was 9.73%.

vi. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

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

(i) Particulars of Top 10 employees in terms of remuneration drawn and particulars of employees employed throughout the financial year 2019-20 and was in receipt of remuneration, in the aggregate, not less than ₹ 1.02 Crores

No	Name	Designation	Remuneration - ₹	Qualifications and experience (in years)	Date of commencement of employment	Age as on 31-03-2020	Last employment held before joining the company
1	Venketrama Raja P R	Chairman & Managing Director	41,01,12,980	B.Tech, MBA (35)	04-06-2017	60	--
2	Dharmakrishnan A V	Chief Executive Officer	14,37,94,481	B.Com, ACA (37)	03-05-1982	63	--
3	Srinivasan M	Executive Director – Operations	2,75,23,445	B.E. (35)	12-05-1995	58	Fuller KCP Ltd
4	Balaji K Moorthy	Executive Director – Marketing	2,73,82,595	B.Sc, PGDC, PGDFT (44)	09-06-1997	68	Fabulac Overseas Ltd
5	Raghuram Devarakonda	Chief Operating Officer	2,04,05,248	B.Tech, Phd. (24)	03-07-2017	52	CorEssentials
6	Ravishankar N	President – Manufacturing	1,61,63,834	B.Tech (37)	22-08-2005	60	UltraTech Cement Ltd
7	Vaithiyanathan S	Chief Financial Officer	1,53,58,631	B.Sc, ACA (30)	20-08-1990	55	Seshasayee Industries Ltd
8	Ramakrishnan R	President – Marketing	1,37,93,966	B.Com, ACA (36)	06-07-1998	62	Indian Oil Corporation Ltd
9	Prabhu Nambiappan	Sr. Vice President – HR	1,14,27,557	B.E, PGD in IR & PM (28)	01-06-2017	56	Chola-MS General Insurance Company Limited
10	Selvanayagam K	Company Secretary	1,13,80,873	B.Com, ACS (36)	21-10-1993	61	New Era Technology Ltd
11	Sai Kumar M J	Sr. Vice President – HR	1,10,47,916	B.Sc, MA (38)	01-02-1990	60	Overseas Sanmar Leasing Limited

(ii) Employed for a part of the financial year 2019-20 and was in receipt of remuneration, at a rate which, in the aggregate, not less than ₹ 8.50 lakhs per month

No	Name	Designation	Remuneration - ₹	Qualifications and experience (in years)	Date of commencement of employment	Age	Last employment held before joining the company
1	Subramania Sastry T N	Asst Manager – Electrical	9,87,972	Diploma in Elec & AC (29)	02-08-2006	55	Mysore Cements Limited
2	Balakrishna K A	Sr. Manager – Electrical	13,90,107	B.E. (24)	01-09-2000	56	Karnataka Minerals and Manufacturing Co Ltd
3	Krishnaswamy S	Sr. DGM – HR	45,13,766	M.A, B.L. (35)	18-10-2012	59	SPIC Limited

NOTES:

1 All appointments are contractual.

2 None of the employees mentioned above is related to any director of the Company.

3 No employee was in receipt of remuneration in excess of that drawn by Chairman & Managing Director.

4 Remuneration includes salary, variable performance pay, allowances, contribution to Provident Fund and Superannuation Fund, taxable value of perks and leave encashment but excludes gratuity.

On behalf of the Board of Directors,
For **THE RAMCO CEMENTS LIMITED**,

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

Annexure - 10

DETAILS OF EMPLOYEE STOCK OPTION SCHEMES

Employee Stock Option Scheme 2018 – Plan A (ESOS 2018 – PLAN A)

The Nomination and Remuneration Committee at its meeting held 07-08-2019, had granted 2,31,000 Nos. of options to the employees. The details are given below:

Name	No. of options granted	Vesting Period (ending)	Price per share – ₹	No. of options exercised	No. of options lapsed
Senior Managerial Personnel (Key Managerial Personnel)					
Shri.A.V.Dharmakrishnan Chief Executive Officer	1,00,000	31-12-2021	1.00	NIL	NIL
Shri.S.Vaithiyanathan Chief Financial Officer	20,000	31-12-2021	1.00	NIL	NIL
Shri.K.Selvanayagam Secretary	14,500	31-12-2021	1.00	NIL	NIL
Other Employees					
Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year					
Shri.Balaji K Moorthy, Executive Director – Marketing	14,500	31-12-2021	1.00	NIL	NIL
Shri.M.Srinivasan, Executive Director – Operations	25,000	31-12-2021	1.00	NIL	NIL
Shri.R.Ramakrishnan, President – Marketing	14,000	31-12-2021	1.00	NIL	NIL
Shri.M.J.Sai Kumar, Sr. Vice President – HR	12,500	31-12-2021	1.00	NIL	NIL
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	NIL	NIL	NIL

Employee Stock Option Scheme 2018 – Plan B (ESOS 2018 – PLAN B)

The Nomination and Remuneration Committee at its meeting held 07-08-2019, had granted 2,84,600 Nos. of options to the employees. The details are given below:

Name	No. of options granted	Vesting Period (ending)	Price per share – ₹	No. of options exercised	No. of options lapsed
Senior Managerial Personnel (Key Managerial Personnel)					
Shri.A.V.Dharmakrishnan Chief Executive Officer	1,00,000	31-12-2021	100.00	NIL	NIL
Shri.S.Vaithiyanathan Chief Financial Officer	20,000	31-12-2021	100.00	NIL	NIL
Shri.K.Selvanayagam Secretary	14,500	31-12-2021	100.00	NIL	NIL
Other Employees					
Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year					
Shri.Balaji K Moorthy, Executive Director – Marketing	14,500	31-12-2021	100.00	NIL	NIL
Shri.M.Srinivasan, Executive Director – Operations	25,000	31-12-2021	100.00	NIL	NIL
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	NIL	NIL	NIL

Table showing movement of options during the year:

Sl. No	Particulars	ESOS 2018 – Plan A	ESOS 2018 – Plan 8
1	Number of options outstanding at the beginning of the year	Nil	Nil
2	Number of options granted during the year	2,31,000	2,84,600
3	Number of options forfeited / lapsed during the year	Nil	Nil
4	Number of options vested during the year	Nil	Nil
5	Number of options exercised during the year	Nil	Nil
6	Number of shares arising as a result of exercise of options	Nil	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil	Nil
8	Loan repaid by the Trust during the year from exercise price received	NA	NA
9	Number of options outstanding at the end of the year	2,31,000	2,84,600
10	Number of options exercisable at the end of the year	Nil	Nil

Table showing other Details of ESOS during the year

<table>
<tr><td>1</td><td>Method of calculation of employee compensation cost</td><td>Fair Value, using Black Scholes Merton model</td></tr>
<tr><td>2</td><td>Fair value of the options for the year 2019-20 (using Black Scholes Merton model)</td><td>For PLAN A : ₹ 707.08
For PLAN B : ₹ 614.54</td></tr>
<tr><td>3</td><td>Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at Sl. No. 1 above and the employee cost that shall have been recognized if fair value of options computed at Sl. No. 2 above is used</td><td>N.A</td></tr>
<tr><td>4</td><td>The impact of the difference mentioned in Sl. No. 3 above on profits and on EPS of the Company</td><td>N.A</td></tr>
<tr><td>5</td><td>Weighted-average exercise prices and Weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>Weighted-average exercise price - ₹ 55.65
Weighted-average fair values of options - ₹ 656.00</td></tr>
<tr><td>6</td><td>Weighted average share price at the date of exercise</td><td>N.A</td></tr>
<tr><td>7</td><td>Range of Exercise Prices & Weighted Average remaining contractual life</td><td>
<table>
<tr><th rowspan="2">Sl. No</th><th rowspan="2">Particulars</th><th colspan="3">As at 31st March 2020</th></tr>
<tr><th>No. of Options Outstanding</th><th>Range of Exercise Prices (₹)</th><th>Weighted Average remaining contractual life (days)</th></tr>
<tr><td>1</td><td>ESOS -2018 PLAN A</td><td>2,31,000</td><td>₹ 1/- per share</td><td>128</td></tr>
<tr><td>2</td><td>ESOS -2018 PLAN B</td><td>2,84,600</td><td>₹ 100/- per share</td><td>128</td></tr>
</table>
</td></tr>
</table>

Assumptions used during the year to estimate the fair value of options are given below:

1	Weighted Average Market price	₹ 710.90 per share
2	Weighted Average Exercise Price	₹ 55.65 per share
3	Weighted Average Stock Volatility	10%
4	Weighted Average Risk Free Interest Rate	7%
5	Weighted Average expected option life	352 days
6	Weighted Average expected dividends	0.42%
7	Methodology for determination of volatility	Expected Volatility is based on historical volatility of the observed market prices on National Stock Exchange up to the grant date.

On behalf of the Board of Directors,
For **THE RAMCO CEMENTS LIMITED**,

Chennai
19-06-2020

P.R.VENKETRAMA RAJA
Chairman & Managing Director

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of LODR]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<table>
<tr><td>1</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">L26941TN1957PLC003566</td></tr>
<tr><td>2</td><td>Name of the Company</td><td colspan="4">THE RAMCO CEMENTS LIMITED</td></tr>
<tr><td>3</td><td>Registered address</td><td colspan="4">“RAMAMANDIRAM”, RAJAPALAYAM – 626117</td></tr>
<tr><td>4</td><td>Website</td><td colspan="4">www.ramcocements.in</td></tr>
<tr><td>5</td><td>E-mail id</td><td colspan="4">ksn@ramcocements.co.in</td></tr>
<tr><td>6</td><td>Financial Year reported</td><td colspan="4">1st April 2019 to 31st March 2020</td></tr>
<tr><td rowspan="5">7</td><td rowspan="5">Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td colspan="4">Codes as per NIC – 2008</td></tr>
<tr><td>Group</td><td>Class</td><td>Sub class</td><td>Description</td></tr>
<tr><td>239</td><td>2394</td><td>23941
23942</td><td>Manufacture of Clinker and Cement</td></tr>
<tr><td>351</td><td>3510</td><td>35102</td><td>Electric power generation by coal based thermal power plants</td></tr>
<tr><td></td><td></td><td>35106</td><td>Electric power generation using other non-conventional sources</td></tr>
<tr><td>8</td><td>List three key products/services that the Company manufactures/provides (as in balance sheet)</td><td colspan="4">(i) Cement
(ii) Power</td></tr>
<tr><td>9</td><td>Total number of locations where business activity is undertaken by the Company</td><td colspan="4">(a) Number of International Locations : 1
(b) Number of National Locations :
5 Cement Plants
5 Grinding Units
1 Packing Plant
1 Ready Mix Concrete Unit
1 Dry Mortar Plant
Wind farms at 7 locations
Registered Office, Corporate Office and 45 Sales Offices</td></tr>
<tr><td>10</td><td>Markets served by the Company</td><td colspan="4">South and East India, Sri Lanka</td></tr>
</table>

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital - ₹ In crores	23.56
2	Total Turnover - ₹ In crores	5,405.64 (Net of duties and taxes)
3	Total Comprehensive Income - ₹ In crores	593.28
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Net Profit	The Company has spent ₹ 14.99 crores on CSR, which is 1.92% on the average net profit of the Company for the last three financial years.
5	List of activities in which expenditure in 4 above has been incurred	The Company has done CSR activities in various spheres, out of which the following are the top 5 areas: a. Promotion of Education, Enhancing Vocational Skills, Livelihood Enhancement Projects, etc. b. Eradication of Hunger, Providing of Safe Drinking Water, Health Care, etc. c. Protection of National Heritage, Sites of Historical Importance, etc. d. Rural Development Projects e. Ensuring Environmental Sustainability, Ecological Balance, Protection of Flora and Fauna, etc.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has two Subsidiaries. 1. Ramco Windfarms Limited 2. Ramco Industrial and Technology Services Limited
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Business Responsibility initiatives of the holding company are applicable to the Subsidiary Company as well.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company involves its Business Associates, such as Dealers, Logistics Partners, etc. in its Business Responsibility initiatives. However, their extent of participation in terms of percentage cannot be quantified.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1	DIN Number	00331406
2	Name	Shri.P.R.Venketrama Raja
3	Designation	Chairman & Managing Director

(b) Details of the BR head

1	DIN Number	00693181
2	Name	Shri.A.V.Dharmakrishnan
3	Designation	Chief Executive Officer
4	Telephone Number	044 – 2847 8666
5	E-Mail ID	brr@ramcocements.co.in

2. The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. They are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for BR Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies conform to the guidelines / standards of Companies Act, 2013 and other statutory acts, regulations, notifications, etc. The policies / standards are at par with generally accepted practices for the respective principles.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.ramcocements.in/policies.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's website contains the policies for information of all internal and external stakeholders. Further, relevant communication is provided to stakeholders through appropriate mediums, such as, Circulars, Notice Boards, Company's Magazine, etc.								
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The ISO Standards and other standards adopted by the Company are subject to routine monitoring / evaluation / review by their concerned external agencies on periodical basis. The implementation of the policies is subject to review by Internal Audit mechanisms.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee consisting of 3 Directors is responsible to assess the Business Responsibility performance of the Company and to oversee the implementation of the various policies. It is reviewed on annual basis or as and when the need arises. The CSR Committee at its meeting held on 19-06-2020 had reviewed and approved the Business Responsibility Report for the year 2019-20.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published in the Annual Report and also placed on the Company's website at www.ramcocements.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   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.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No complaint has been received under Whistle Blower Policy. During the year under review 8 complaints have been received from Shareholders relating to non-receipt of dividends / annual report. The complaints were promptly attended and redressed in time.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

A. CEMENT

The Company's blended cements viz. Portland Pozzolana Cement and Portland Slag Cement utilises Fly Ash and Slag which are Industrial waste from Thermal Power Plants and Steel Plants respectively. The Company uses waste tyre oil instead of diesel for kilns during start up. Utilisation of these materials in the company's manufacturing process protect environment.

B. POWER GENERATION

WIND ENERGY

The Company's investment in non-conventional renewable energy source, viz. wind energy is emission free and pollution free generation of power.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Resources	Units of Measurement	2019-2020	2018-2019
Fly Ash	% per ton of PPC	23.05	24.64
Slag	% per ton of PSC	59.67	59.12
Power	Kwh/Ton of Cement	82.94	76.49

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has no information regarding reduction of energy, water, etc. that has been achieved by the consumers during usage of Company's products.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company's cement manufacturing plants are situated close to limestone mines, thereby reducing the transportation impact of the limestone. The Company's cement grinding units are situated close to thermal power plants, thereby reducing the transportation impact of the fly ash. Bulk materials are transported through various modes viz., rail/sea and road. The mode of transport is chosen based on cost economics.

However, the transportation and logistics optimisation is an ongoing activity to reduce the related environmental impacts.

To ensure sustainability of logistics transportation eco system, the Company is giving need based financial assistance to the transporters and customers to buy and own trucks and also help them to get their old trucks replaced with new ones, ensuring that the trucks would be deployed to meet the Company's transportation requirements.

The mining deploys sustainable mining practices to enhance the life of the mines.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company gives priority to procure goods and avail services from local and small vendors, located near to the manufacturing locations. We also provide them training to improve their capacity and capability. The Company ensures that its contractors who supply labour services for plant operations employ workmen from nearby communities. The Company also educates and trains the workforce in occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company's product is not meant for recycling as cement is used for construction of buildings, which are meant to last long. The product is also not recyclable after its usage. The Company's other product, viz. electrical energy is consumed immediately, which also does not provide scope for recycling. The domestic waste water generated at factory, colony, etc. is recycled through sewage treatment plant and is utilised in full.

Principle 3

1. Please indicate the Total number of employees. – 3327.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. – 1905.
3. Please indicate the Number of permanent women employees – 12.
4. Please indicate the Number of permanent employees with disabilities – 1.
5. Do you have an employee association that is recognized by management:

   The plants at Ramasamy Raja Nagar and Jayanthipuram have employee unions recognized by the management.

6. What percentage of your permanent employees is members of this recognized employee association?

   Ramasamy Raja Nagar Plant – 84%

   Jayanthipuram Plant – 95%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	N.A
2	Sexual harassment	NIL	N.A
3	Discriminatory employment	NIL	N.A

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	56%
(b)	Permanent Women Employees	66%
(c)	Casual/Temporary/Contractual Employees	100%
(d)	Employees with Disabilities	-

The Organisation's main objective is to continuously establish health and safety culture through awareness training initiatives. We have also implemented Standard Safety Management System which provides guidelines to employees in their daily activities with the best Safety, Health and Environmental Standards. We continue to train our employees (Permanent/ Contract/ etc.) with Safety Induction and mandatory training programmes covering all aspects of Safety and emphasising the importance of 'Safety First'. Safety trainings are organised with the support of experts from the industry and the internal safety team. Good safety performance is a key to good operational performance. We always strive for a safety environment with the aim of zero incidents.

Skill upgradation is the key in creating high performance individuals and exploring the potential within the organisation. As part of Skill upgradation training, we have initiated one of the most essential trainings - Behavioural Based Safety across plants and employees. We have steered the preliminary efforts for the implementation of the program and aim to train all the required personnel.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   The Company's cement manufacturing plants/limestone mines are located in remote rural areas and localities around such places have been identified as disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company's CSR programmes are mainly targeted in improving the socio, economic and infrastructure conditions of the localities around the manufacturing facilities. The Company also undertakes various measures to improve the quality of their life. These include, computer education training for village students, women empowerment, arrangements for safe drinking water, desilting of water bodies, construction of toilets, formation and enhancement of rural roads, conducting rural medical camps, eye camps, special medical camps for disabled children, green development, etc.

In addition to the above, during the last part of the year there has been widespread outbreak of COVID-19 virus. It had crippled the economic activities by bringing huge hardships to the society including for the villagers in and around the factory area. The Company had provided various safety and medical aids, food, essential groceries, medicines, etc. The Company had also arranged for awareness campaigns to educate the public on social distancing, safety measures, hygienic practices to be followed in home, etc. The details are available in Board's Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company's Code of Conduct and HR practices have been developed to respect and protect human rights. It extends only to the Company and its Subsidiary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the year under review, the Company did not receive any complaint in respect of violation of human rights.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   The Policy on environment covers the Company and its Subsidiary.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. The Company strives to have minimal carbon footprint and to reduce its impact with regard to climate change, global warming, etc. The Company's Safety, Health and Environment Policy gives utmost importance to the environmental impact of the practices it follows and the product it creates. The weblink for the same is : http://ramcocements.net/ramcocements/pdffiles/policies/SAFETY%20ENVIR%20POLICY%20FOR%20TRCL%20 2014.pdf

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. The Company has a mechanism in place to identify and assess potential environmental risk. The Company's Risk Management Policy covers Environmental Risk and the process for managing it.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The Company's wind farm project has been registered with United Nations Framework Convention on Climate Change under Clean Development Mechanism. The Company is eligible for Certified Emission Reductions (CERs). The main purpose of the project activity is to generate clean electricity from renewable energy source (wind).

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company pays attention at all levels to reduce energy consumption, by continuous monitoring, maintenances and improvements. Some of the steps taken for conservation of energy, include,

   Installation of Cement Waste Heat Recovery system (CWHR) to reduce the thermal energy consumption in Thermal Power Plant.

   Installation of Variable Frequency Drive (VFD) for process fans to reduce electrical energy.

   Installation of energy efficient air-cooled condenser fans in thermal power plant to reduce electrical energy.

   Installation of VFD for compressors to reduce electrical energy.

   Installation of High efficiency water pumps to reduce electrical energy.

   Installation of LED lights replacing high wattage High Pressure Sodium Vapour lights.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, the emissions/waste generated by the Company are within the permissible limits prescribed by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   None.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   a. Cement Manufacturers Association

   b. Bureau of Energy Efficiency

   c. Confederation of Indian Industry

   d. National Council for Cement & Building Materials

   e. Federation of Indian Chambers of Commerce and Industry

   f. Rajapalayam Chamber of Commerce

   g. Indian Wind Power Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes. Following are the broad areas.

   a. Representations relating to mining under The Mines and Minerals (Development and Regulation) Amendment Act, 2015

   b. Recommendation for increased use of blended cements in Government projects and constructions

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes. The Company believes that as the Organisation grows, the society and the community around it should also grow. For this, the company undertakes various initiatives/projects in and around the places where its manufacturing facilities are located. These include,

   Rural Industry and Skill Development

   Conducted Skill trainings for youth

   Employed youth through job placement

   Health

   Conducted health check-up camps

   Eye camps

   Treating poor patients through Special Health camps

   Education

   Provided basic computer training to students

   Providing assistance to poor students

   Infrastructure Development

   Constructed low cost houses, toilets, village road, community halls, etc.

   Established drinking water facilities in villages.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The Company's CSR initiatives are implemented both by internal teams as well as through / coordination with external agencies, like NGOs, Government Institutions, Academic Organisations, etc.

3. Have you done any impact assessment of your initiative?

   The Company does the impact assessment of its CSR initiatives through qualitative feedbacks, received from beneficiaries of the activities undertaken. Based upon such reviews, the initiatives are structured.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   During the year ended 31st March 2020, the Company has spent ₹ 14.99 crores towards Health, Education, Infrastructure Development and other various community development projects, towards its CSR commitment. The details are available in Board's Report. The company had also spent a sum of ₹ 3.99 crores on other social causes and projects, which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The CSR initiatives are carried out on a need based approach. The Company adopts participatory approach with communities / beneficiaries. With regard to project development and major asset creations, Company participates in mutual beneficiary contribution. These strategies ensure that the relevant beneficiaries successfully adopt and maintain them.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There were 1,006 customer complaints received during the year. The complaints received were relating to poor construction practices and improper cement storage. 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 consumer appeal which was pending in the Honourable High Court of Andhra Pradesh had been closed.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   The Company displays information as mandated by the local laws on the product label. No other additional information is provided.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   COMPLAINT BY BUILDERS ASSOCIATION OF INDIA

   Based on a complaint filed by Builders Association of India in 2006, Competition Commission of India (CCI) vide its order dated 20-06-2012, had held that leading cement companies, including The Ramco Cements Limited and Cement Manufacturers Association (CMA) had contravened the provisions of Section 3(1) read with Sections 3(3)(a) and 3(3)(b) of the Competition Act, 2002 and imposed penalties of which the penalty for The Ramco Cements Limited was ₹ 258.63 crores. The cement companies appealed to Competition Appellate Tribunal (COMPAT) against the order of CCI. COMPAT referred back the matter to CCI for fresh adjudication. CCI held the cement companies liable for cartelisation vide its order dated 31-08-2016, which was in substantial part, a reiteration of its earlier order dated 20-06-2012.

   The Company filed an appeal against the order of CCI before the Competition Appellate Tribunal (COMPAT), New Delhi and obtained an interim order on 28-11-2016, wherein the Company had been directed to deposit 10% of the penalty amount in the Registry of COMPAT in the form of Fixed Deposit within 60 days thereof. Accordingly, the amount of ₹ 25.86 crores has been so deposited on 30-11-2016.

   The Company filed a civil appeal before the Honourable Supreme Court of India and obtained stay of the proceedings before COMPAT. In the meanwhile, Government of India had abolished COMPAT and transferred all pending cases to National Company Law Appellate Tribunal (NCLAT), New Delhi.

   NCLAT, vide its judgement dated 25-07-2018, had dismissed the Company's appeal along with the appeals of other cement companies against the order of CCI. The Company had appealed to Supreme Court against the order of NCLAT. The Honourable Supreme Court of India on 05-10-2018 admitted the appeal of the Company and other affected cement companies and ordered the continuation of interim orders that had been passed by NCLAT in these cases.

   Accordingly, the Company had deposited with NCLAT, 10% of the amount imposed as penalty [10% of ₹ 258.63 crores (i.e) ₹ 25.86 crores].

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes. The Company carries out consumer surveys / consumer satisfaction trends, through interaction with end users and the information is utilised to improve the business operations / services.

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 Balance sheet as at 31st March 2020, the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Separate Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Separate financial statements give the information required by the Companies Act 2013 ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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.

Emphasis of Matter

We draw attention to Note No. 57 to the Separate financial results, which describes the uncertainties and the impact of the COVID-19 pandemic on the company's operations and results as assessed by the management. The Management has assessed that there is no material impact on the financial statements due to lockdown and related restrictions imposed towards controlling the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1	**Adoption of Ind AS 116 Leases** The Company has adopted Ind AS 116 with effect from 1st April 2019 using Modified Retrospective Approach. The application and transition to this new accounting standard is complex and involves significant judgment and estimates made by the management which includes measuring of liability for all leases. The company has adopted the Modified Retrospective Approach method for transition to Ind AS 116, consequently comparative figures for the previous years have not been restated and continue to report under Ind AS 17. **(Refer to Note No. 4.6 and 50 to the Separate Financial Statements)**	**Principal Audit Procedures** Our Audit procedures involved review of the company's Ind AS 116 implementation process, and key judgments made by management evaluation of lease agreements/arrangements on sample basis and comparison of the same with management's evaluation and assessment. We also evaluated the computation of lease liabilities and the discount rates adopted. Our tests on sample basis focused on reviewing the key terms and conditions of the lease agreements and obtaining evidence for the estimated useful live of right of use assets. Furthermore we assessed the adequacy and appropriateness of the disclosures to Separate financial statements.

S. No.	Key Audit Matter	Auditor's Response
2	**Recognition and measurement of deferred taxes** The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results. We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts. **(Refer to Note No. 4.4.3, 4.4.5 and 4.4.6 to the Separate Financial Statements)**	**Principal Audit Procedures** The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards. Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate financial statements.
3	**Evaluation of uncertain Tax Position/ Other contingent liabilities** The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums. **(Refer to Note No. 46.2.1 to 46.2.22 to the Separate Financial Statements)**	**Principal Audit Procedures** 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. 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. We also reviewed the relevant judgements and the opinions given by the company's advisers, which were relied on by the management for such claims. Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate financial statements.
4	**Disputes and potential litigations** The Competition Commission of India (CCI) vide its order dated 31st August 2016 had imposed a penalty of ₹ 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 ₹ 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. **(Refer to Note No. 46.2.6 to the Separate Financial Statements)**	**Principal Audit Procedures** 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.

S. No.	Key Audit Matter	Auditor's Response
5	**Existence and impairment of Trade Receivables** 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, the requirements of customers and various contract terms are in place, there is a risk that the carrying values may not reflect the 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, in estimating impairment assessment of trade receivables, we have identified this as a key audit matter. **(Refer to Note No. 17 to the Separate Financial Statements)**	**Principal Audit Procedures** 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. 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. Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate financial statements.

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 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Separate financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Separate financial statements, Management 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 ₹ 15.61 Crores, total revenue of ₹ 95.02 Crores and net cash inflow amounting to ₹ 1.28 Crores for the year ended on 31st March 2020, 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.

Our attendance at the physical inventory verification done by the management was impracticable under the current lockdown restrictions imposed by the government. Consequently, we have performed alternative procedures to audit on the existence and condition of inventory at year end as per the guidance provided in SA-501 "Audit Evidence – Specific considerations for selected items" and have obtained sufficient audit evidence to issue our un-modified opinion on these separate financial results.

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 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. 46.2.1 to 46.2.22 of the Disclosures forming part of the Separate Financial Statements for the year ended 31st March 2020;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

P. SANTHANAM
Partner
Membership No.: 018697
UDIN: 20018697AAAAAI4982

Place: Chennai
Date: 19th June, 2020

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

M. VIJAYAN
Partner
Membership No.: 026972
UDIN: 20026972AAAADF1552

“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 the Company on the Separate financial statements for the year ended 31st March 2020, we report the following:

i. Fixed Assets

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

c) According to the information and explanation given to us 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.

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.

ii. Inventory

a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material.

iii. The company has granted loan to a party listed in the register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was ₹ 42.08 Crores (Previous year ₹ 32.11 Crores) and the amount outstanding as on 31st March 2020 is ₹ 41.68 Crores (Previous year ₹ 17.95 Crores)

a) In our opinion, the terms and conditions on which the loan has been granted to the party listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the Company.

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

c) There are no overdue amounts in respect of the loan granted to a party listed in the register maintained under section 189 of the Act.

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

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

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

vii. Undisputed and disputed taxes and duties

a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrear as at 31st March 2020 for a period of more than six months from the date they become payable.

b) As at 31st March 2020 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

(₹ in Crores)

Sl. No	Name of the Statute	Forum where dispute is pending	As at 31-03-2020	As at 31-03-2019
1	VAT/ CST/ Entry Tax	Assessing Authority	0.46	0.46
		Assistant/Deputy Commissioner, Appeals	1.22	0.24
		Appellate Tribunal	5.81	5.82
		High Court	1.06	1.22
2	Central Excise Act & Cenvat Credit Rules	Assistant/Deputy/ Additional Commissioner	123.34	340.24
		Commissioner Appeals	0.62	5.61
		Appellate Tribunal	132.62	168.22
		High Court	58.45	9.17
		Supreme Court	20.82	26.83
3	Income Tax Act	Commissioner Appeals	28.35	-
		Appellate Tribunal	25.29	-
		Total	**398.04**	**557.81**

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.

ix. The company has not raised money by way of initial public offer or further public offer during the Current year. The Company has raised term loans from banks/institutions and Non-convertible debentures during the year and the proceeds have been applied for the purposes for which they were raised.

x. In our opinion and according to the information and explanations given to us, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii) of Para 3 of the Order 2016 is not applicable to the Company.

xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Separate Financial Statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has not made a preferential allotment or private placement shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause (xvi) of Para 3 of the Order 2016 is not applicable to the Company

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

P. SANTHANAM
Partner
Membership No.: 018697
UDIN: 20018697AAAAAI4982

Place: Chennai
Date: 19th June, 2020

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

M. VIJAYAN
Partner
Membership No.: 026972
UDIN: 20026972AAAADF1552

"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 31st March, 2020 in conjunction with our audit of the Separate financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020, 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: 20018697AAAAAI4982

Place: Chennai
Date: 19th June, 2020

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

M. VIJAYAN
Partner
Membership No.: 026972
UDIN: 20026972AAAADF1552

BALANCE SHEET

as at 31st March 2020

₹ in Crores

Particulars	Note No.	31-03-2020	31-03-2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6	5,731.63	5,066.36
Capital Work in Progress	7	1,814.27	830.77
Investment Property	8	238.81	254.68
Intangible Assets	9	56.66	54.87
Intangible Assets under Development	10	26.10	21.82
Investments in Subsidiaries / Associates	11	163.09	148.09
Financial Assets			
Other Investments	12	25.61	26.68
Loans	13	60.05	34.34
Other Financial Assets	14	18.86	17.32
Other Non-Current Assets	15	343.95	277.44
		8,479.03	**6,732.37**
Current Assets			
Inventories	16	645.26	559.67
Financial Assets			
Trade Receivables	17	526.85	489.97
Cash and Cash Equivalents	18	61.20	57.56
Bank Balances other than Cash and Cash Equivalents	19	30.22	35.20
Loans	20	29.79	27.38
Other Financial Assets	21	102.43	93.33
Current Tax Assets	22	2.29	5.49
Other Current Assets	23	169.93	107.24
		1,567.97	**1,375.84**
Total Assets		**10,047.00**	**8,108.21**
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	24	23.56	23.56
Other Equity	25	4,895.00	4,436.55
		4,918.56	**4,460.11**
Non Current Liabilities			
Financial Liabilities			
Borrowings	26	1,832.34	701.18
Other Financial Liabilities	27	8.06	-
Provisions	28	24.03	15.69
Deferred Tax Liabilities (net)	29	917.23	870.44
Deferred Government Grants	30	12.83	13.07
		2,794.49	**1,600.38**
Current Liabilities			
Financial Liabilities			
Borrowings	31	800.06	713.58
Trade Payables	32		
- Total outstanding dues of micro enterprises and small enterprises		14.15	8.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises		327.29	248.86
Other Financial Liabilities	33	1,059.94	929.84
Other Current Liabilities	34	102.09	120.52
Provisions	35	29.04	25.29
Deferred Government Grants	36	1.38	1.28
		2,333.95	**2,047.72**
Total Equity and Liabilities		**10,047.00**	**8,108.21**
Significant Accounting Policies, Judgments and Estimates	*1 - 5*		
See accompanying notes to the financial statements	*6 - 58*		

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

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Chairman and Managing Director

A.V. DHARMAKRISHNAN
Chief Executive Officer

S. VAITHIYANATHAN
Chief Financial Officer

K.SELVANAYAGAM
Secretary

Chennai
19-06-2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

₹ in Crores

Particulars	Note No.	31-03-2020	31-03-2019
REVENUE			
Revenue from operations	37	5,368.44	5,146.27
Other Income	38	37.20	28.44
Total Revenue		**5,405.64**	**5,174.71**
EXPENSES			
Cost of Materials Consumed	39	921.15	828.59
Changes in Inventories of Finished Goods and Work-in-progress	40	(47.39)	18.30
Employee Benefits Expense	41	368.20	329.49
Finance Costs	42	71.35	50.87
Depreciation and Amortization Expense	43	315.26	298.52
Transportation and Handling Expenses		1,137.90	1,187.96
Power and Fuel		1,050.87	1,057.32
Other Expenses	44	810.79	698.24
		4,628.13	**4,469.29**
Less: Captive Consumption of finished goods		9.70	10.16
Total Expenses		**4,618.43**	**4,459.13**
Profit Before Tax		**787.21**	**715.58**
Tax Expenses	29		
Current Tax		139.02	189.44
Current Tax adjustments of earlier years		0.24	(4.83)
Net Current tax expenses		**139.26**	**184.61**
Deferred Tax		74.28	10.97
MAT Credit Recognition		(36.74)	-
Deferred tax adjustments of earlier years		9.32	14.11
Net Deferred tax expenses		**46.86**	**25.08**
Total Tax Expenses		**186.12**	**209.69**
PROFIT FOR THE YEAR	(A)	**601.09**	**505.89**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurement losses on defined benefit obligations (net)	41	(10.54)	(4.38)
Tax credit on above	29	3.68	1.53
Fair value gain on Equity Instruments through OCI	12	(0.95)	0.17
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	(B)	**(7.81)**	**(2.68)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(A) + (B)	**593.28**	**503.21**
Earnings per equity share of face value of ₹ 1 each	51		
Basic EPS in ₹		25	21
Diluted EPS in ₹		25	21
Significant Accounting Policies, Judgments and Estimates	*1 - 5*		
See accompanying notes to the financial statements	*6 - 58*		

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Chennai
19-06-2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

A. Equity Share Capital [Refer Note 24]

₹ in Crores

Balance as at 01-04-2018	**23.56**
Changes in Equity Share Capital during the year 2018-19	-
Balance as at 31-03-2019	**23.56**
Changes in Equity Share Capital during the year 2019-20	-
Balance as at 31-03-2020	**23.56**

B. Other Equity [Refer Note 25]

₹ in Crores

Particulars	Reserves and Surplus				Items of OCI		Total Other Equity
	Capital Redemption Reserve	Employee Stock Options Reserve	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Remeasurments of Defined Benefit Obligations	
Other Equity as at 01-04-2018	**1.63**	**-**	**3,812.70**	**200.00**	**4.29**	**-**	**4,018.62**
Add: Profit for the year	-	-	-	505.89	-	-	505.89
Add: Other Comprehensive Income for the year	-	-	-	-	0.17	(2.85)	(2.68)
Total Comprehensive Income	**-**	**-**	**-**	**505.89**	**0.17**	**(2.85)**	**503.21**
Less: Transfer to Retained Earnings	-	-	-	-	0.40	(2.85)	(2.45)
Less: Transfer to General Reserve	-	-	-	418.16	-	-	418.16
Add: Transfer from Retained Earnings	-	-	418.16	-	-	-	418.16
Add: Transfer from OCI	-	-	-	(2.45)	-	-	(2.45)
Less: Dividend and Dividend Distribution Tax	-	-	-	85.28	-	-	85.28
Other Equity as at 31-03-2019	**1.63**	**-**	**4,230.86**	**200.00**	**4.06**	**-**	**4,436.55**
Add: Profit for the year	-	-	-	601.09	-	-	601.09
Add: Other Comprehensive Income for the year	-	-	-	-	(0.95)	(6.86)	(7.81)
Total Comprehensive Income	**-**	**-**	**-**	**601.09**	**(0.95)**	**(6.86)**	**593.28**
Add: Reserve created for ESOP granted during the year	-	21.52	-	-	-	-	21.52
Less: Transfer to Retained Earnings	-	-	-	-	-	(6.86)	(6.86)
Less: Transfer to General Reserve	-	-	-	437.88	-	-	437.88
Add: Transfer from Retained Earnings	-	-	437.88	-	-	-	437.88
Add: Transfer from OCI	-	-	-	(6.86)	-	-	(6.86)
Less: Dividend and Dividend Distribution Tax	-	-	-	156.35	-	-	156.35
Other Equity as at 31-03-2020	**1.63**	**21.52**	**4,668.74**	**200.00**	**3.11**	**-**	**4,895.00**

As per our report annexed

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STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

₹ in Crores

Particulars		31-03-2020	31-03-2019
Cash Flow from Operating Activities			
Profit Before Tax		787.21	715.58
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation & Amortization		315.26	298.52
Profit on sale of Property, Plant & Equipment and Investment Property (net)		(0.17)	(1.48)
Impairment allowance for trade receivables		0.14	-
Interest Income		(14.09)	(10.45)
Dividend Income		(1.43)	(0.78)
Grant Income		(2.26)	(2.30)
Employee Stock Options expense		21.52	-
Cash flow arising out of Actuarial loss on defined benefit obligations		(10.54)	(4.38)
Fair value loss on Mutual funds		0.17	0.02
Lease Rental Receipts		(10.39)	(8.89)
Finance costs		71.35	50.87
Provisions / Other non-cash adjustments		12.94	5.09
Operating Profit before Working Capital changes		**1,169.71**	**1,041.80**
Movements in Working capital:			
Inventories		(85.59)	0.27
Trade receivables and other assets		(110.32)	(110.38)
Trade payables and other liabilities		(96.21)	17.18
Cash generated from Operations		**877.59**	**948.87**
Direct Taxes paid		(137.63)	(158.44)
Net Cash generated from Operating Activities	A	**739.96**	**790.43**
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment and Investment Properties *(Including movements in CWIP, Capital Advances and payable for capital goods)*		(1,919.94)	(1,206.34)
Proceeds from Sale of Property,Plant & Equipment and Investment Properties		0.64	4.54
Interest received		13.80	6.74
Dividend received		1.38	0.73
Loans (given to) / repaid by Subsidiaries & Associates (net)		(23.73)	9.88
Investment in Equity Shares of Subsidiary & Associates		(15.00)	(16.20)
Lease Rental Receipts		10.39	8.89
Proceeds from Sale of equity investments		-	0.90
Net Cash used in Investing Activities	B	**(1,932.46)**	**(1,190.86)**
Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings		1,522.98	489.95
Repayment of Long Term Borrowings		(203.92)	(114.21)
Proceeds from Short Term Borrowings (net)		107.99	399.75
Payment of principal portion of lease liabilities		(0.04)	-
Payment of Dividend and Dividend Distribution Tax		(156.35)	(85.28)
Interest paid (including interest on lease liabilities)		(57.99)	(47.62)
Net Cash generated from Financing Activities	C	**1,212.67**	**642.59**
Net Increase in Cash and Cash equivalents	D = (A+B+C)	**20.17**	**242.16**
Opening balance of Cash and Cash equivalents	E	**71.25**	**(170.91)**
Closing balance of Cash and Cash equivalents	D + E	**91.42**	**71.25**

STATEMENT OF CASH FLOWS

for the year ended 31st March 2020 (Contd.)

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:*

₹ in Crores

Particulars		31-03-2020	31-03-2019
Cash and cash equivalents (Refer Note 18)		61.20	57.56
Bank Balances other than cash and cash equivalents (Refer Note 19)		30.22	35.20
Sub-total		**91.42**	**92.76**
Less: Cash Credit (Refer Note 31)		-	21.51
Cash and Bank Balances, net of Cash Credit for Statement of Cash Flows		**91.42**	**71.25**
(iii) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:			
Balance at the beginning of the year			
Long Term Borrowings		701.18	416.31
Short Term Borrowings (excluding cash credit)		692.07	292.32
Current maturities of Long Term Debt		203.94	114.21
Interest accrued		1.36	0.99
Sub-total Balance at the beginning of the year		**1,598.55**	**823.83**
Cash flows during the year			
Proceeds from Long Term Borrowings		1,522.98	489.95
Repayment of Long Term Borrowings		(203.92)	(114.21)
Proceeds from Short Term Borrowings (net)		107.99	399.75
Payment of principal portion of lease liabilities		(0.04)	-
Interest paid (including interest on lease liabilities)		(57.99)	(47.62)
Sub-total Cash flows during the year		**1,369.02**	**727.87**
Non-cash changes			
Interest accrual for the year		71.35	50.87
Unwinding of discounts on provisions		(1.97)	(1.22)
Initial recognition of lease liability for Right-of-use asset		8.10	-
Interest accrued on lease liabilities net of its lease payments recognised as cost of asset		0.09	-
Recognition of difference between fair value of Soft Loan from Government and transaction value as Deferred Government Grant		(2.12)	(2.80)
Sub-total Non-cash changes during the year		**75.45**	**46.85**
Balance at the end of the year			
Long Term Borrowings		1,832.34	701.18
Short Term Borrowings (excluding cash credit)		800.06	692.07
Lease Liabilities		8.16	-
Current maturities of Long Term Debt		391.69	203.94
Interest accrued		10.77	1.36
Balance at the end of the year		**3,043.02**	**1,598.55**
See accompanying notes to the financial statements	6 - 58		

As per our report annexed

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Secretary

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

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 its branch operations. 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 19-06-2020.

2. Basis of Preparation of Separate Financial Statements

2.1 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.

2.2 The significant accounting policies used in preparing the financial statements are set out in Note No.4.

2.3 The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.

2.4 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period, or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.

2.5 A liability is classified as current when it is expected to be settled in normal operating cycle, or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

2.6 The financial statements are presented in Indian Rupees, 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 ₹ 0.00 Crores.

2.7 Previous year figures have been regrouped / restated, wherever necessary and appropriate.

3 Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments), 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 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 taxes is recognised directly in Equity.

4.4 Income Taxes

4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

4.4.2 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.

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

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

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.

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 balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

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

4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, 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 Company has adopted Ind AS 116 with effect from 01-04-2019 using the Modified Retrospective Approach and accordingly the comparative figures for the previous figures has not been restated and continue to be reported under Ind AS 17.

4.6.2 Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model. The Company, as a lessee, upon transition to Ind AS 116, elected to measure the lease liability for all leases whose non-cancellable leases is more than 12 months, at the present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and recognise the right-of-use asset at an amount equal to the lease liability, adjusted for prepaid lease payments recognised in the balance sheet immediately before the date of initial application.

4.6.3 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.

Company as a Lessee

4.6.4 The company recognises a right-of-use asset and a lease liability at the lease commencement date. 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.

4.6.5 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.

4.6.6 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.

4.6.7 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.

4.6.8 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

4.6.9 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.

4.6.10 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.

4.6.11 The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities in 'Other Financial Liabilities' in the Balance sheet.

4.6.12 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

4.6.13 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 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 are recognised at the rate fixed by respective State Electricity Regulatory Commissions, 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, KPTCL & BESCOM 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, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to the superannuation fund trust administered by the Company. The funds are managed by LIC of India / 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 Actuarial 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 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.

4.9 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 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.

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 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 values of assets include property, plant and equipment, 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 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 amortised over their estimated useful life 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

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

The Company's business operation comprises of single operating segment viz., cement and cementious materials. 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.

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.
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 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 best economic interest.

4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement 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 subsidiaries/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

Investment Properties

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

5. Significant Estimates and Judgements

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information from market sources on the expected future performance of the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties.

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 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 (Including MAT Credit Entitlement)

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

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.

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.

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 2020

6 Property, Plant and Equipment (PPE)

₹ 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 43)	Deductions / Adjustments	As at the end of the year	As at the end of the year
Freehold Land	2019-20	752.33	67.26	0.07	819.52	-	-	-	-	819.52
	2018-19	641.41	110.99	0.07	752.33	-	-	-	-	752.33
Land - Right-of-Use Asset	2019-20	-	14.95	-	14.95	-	0.47	-	0.47	14.48
	2018-19	-	-	-	-	-	-	-	-	-
Buildings	2019-20	882.16	86.28	0.88	967.56	268.69	38.26	0.88	306.07	661.49
	2018-19	835.80	49.23	2.87	882.16	235.23	36.33	2.87	268.69	613.47
Plant & Equipments	2019-20	6,275.98	737.55	28.77	6,984.76	2,723.50	216.83	28.73	2,911.60	4,073.16
	2018-19	6,152.49	131.44	7.95	6,275.98	2,532.23	199.18	7.91	2,723.50	3,552.48
Railway Siding	2019-20	116.03	3.46	-	119.49	50.95	6.64	-	57.59	61.90
	2018-19	116.00	0.03	-	116.03	44.54	6.41	-	50.95	65.08
Workshop, Quarry Equipments	2019-20	53.07	11.78	4.80	60.05	39.32	2.84	4.54	37.62	22.43
	2018-19	48.66	5.21	0.80	53.07	37.45	2.56	0.69	39.32	13.75
Research & Development Equipments	2019-20	59.09	4.27	2.26	61.10	45.44	2.64	2.26	45.82	15.28
	2018-19	57.54	1.55	-	59.09	43.86	1.58	-	45.44	13.65
Furniture & Fixtures	2019-20	49.35	10.01	1.72	57.64	25.50	4.73	1.71	28.52	29.12
	2018-19	43.54	6.33	0.52	49.35	21.96	4.06	0.52	25.50	23.85
Office Equipments	2019-20	60.36	6.46	4.34	62.48	43.52	5.55	4.33	44.74	17.74
	2018-19	53.19	8.26	1.09	60.36	39.25	5.33	1.06	43.52	16.84
Vehicles	2019-20	30.28	4.92	1.14	34.06	15.37	3.24	1.06	17.55	16.51
	2018-19	28.40	3.38	1.50	30.28	13.73	2.83	1.19	15.37	14.91
Total	**2019-20**	**8,278.65**	**946.94**	**43.98**	**9,181.61**	**3,212.29**	**281.20**	**43.51**	**3,449.98**	**5,731.63**
	2018-19	**7,977.03**	**316.42**	**14.80**	**8,278.65**	**2,968.25**	**258.28**	**14.24**	**3,212.29**	**5,066.36**

Notes

(a) The Company has capitalised finance cost amounting to ₹ 16.61 Crores (PY: Nil) during the year. The Capitalisation 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, ie. 8.14% p.a (PY: 8.08% 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 26].

(c) Additions under Free hold Land & Building include reclassification from Investment Property Land & Buildings of ₹ 5.83 Crores and ₹ 7.19 Crores respectively in view of change in usage.

(d) Additions relating to Land - Right-of-use asset comprises additions to Right-of-use assets upon transition to Ind AS 116 based on modified retrospective approach, for the operating leases that exist as at 31-03-2019 and also the new lease arrangement entered with the counterparty post 01-04-2019 [Refer Note 50].

(e) Deductions / Adjustments in Gross Block comprises of:

₹ in Crores

Particulars	*2019 -20*			*2018 - 19*		
	Sale of Assets	*Other adjustments*	*Total*	*Sale of Assets*	*Other adjustments*	*Total*
Land	*0.07*	*-*	*0.07*	*0.07*	*-*	*0.07*
Building	*-*	*0.88*	*0.88*	*-*	*2.87*	*2.87*
Plant and Equipments	*0.60*	*28.17*	*28.77*	*0.15*	*7.80*	*7.95*
Workshop and Quarry Equipments	*3.58*	*1.22*	*4.80*	*0.80*	*-*	*0.80*
Research and Development Equipments	*-*	*2.26*	*2.26*	*-*	*-*	*-*
Furnitures and Fixtures	*0.12*	*1.60*	*1.72*	*0.08*	*0.44*	*0.52*
Office Equipments	*0.17*	*4.17*	*4.34*	*0.53*	*0.56*	*1.09*
Vehicles	*1.11*	*0.03*	*1.14*	*1.50*	*-*	*1.50*
Total	***5.65***	***38.33***	***43.98***	***3.13***	***11.67***	***14.80***

(f) Other adjustments represent assets that were damaged / discarded and derecognised from financial statements since no future benefit is expected from its use or disposal.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31st March 2020

7 Capital Work in Progress

₹ in Crores

Particulars	Year	As at the beginning of the year	Additions	Capitalised	As at the end of the year
Buildings	2019-20	70.18	227.42	79.09	218.51
	2018-19	19.96	99.45	49.23	70.18
Plant & Equipments	2019-20	673.05	1,440.61	737.55	1,376.11
	2018-19	106.31	698.18	131.44	673.05
Railway Siding	2019-20	87.54	135.57	3.46	219.65
	2018-19	23.76	63.81	0.03	87.54
Total	**2019-20**	**830.77**	**1,803.60**	**820.10**	**1,814.27**
	2018-19	**150.03**	**861.44**	**180.70**	**830.77**

Note: Capital work in progress includes borrowing cost of ₹ 66.36 Crores (PY: ₹ 29.17 Crores), computed at a weighted average interest rate of 8.14% p.a. (PY: 8.08% p.a) applicable to entity's borrowings outstanding during the year.

8 Investment Property

₹ 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 43)	Deductions / Adjustments	As at the end of the year	As at the end of the year
Land	2019-20	151.76	-	5.83	145.93	-	-	-	-	145.93
	2018-19	142.60	11.66	2.50	151.76	-	-	-	-	151.76
Buildings	2019-20	122.20	0.12	7.19	115.13	19.28	2.98	0.01	22.25	92.88
	2018-19	112.79	14.39	4.98	122.20	17.82	6.44	4.98	19.28	102.92
Total	**2019-20**	**273.96**	**0.12**	**13.02**	**261.06**	**19.28**	**2.98**	**0.01**	**22.25**	**238.81**
	2018-19	**255.39**	**26.05**	**7.48**	**273.96**	**17.82**	**6.44**	**4.98**	**19.28**	**254.68**

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:

Particulars	*2019 -20*				*2018 - 19*			
	Sale of Assets	*Reclassifed under PPE*	*Other adjustments*	*Total*	*Sale of Assets*	*Reclassifed under PPE*	*Other adjustments*	*Total*
Land	-	5.83	-	5.83	2.50	-	-	2.50
Building	-	7.19	-	7.19	-	-	4.98	4.98
Total	**-**	**13.02**	**-**	**13.02**	**2.50**	**-**	**4.98**	**7.48**

(c) Other adjustments 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.

₹ in Crores

Particulars	***31-03-2020***	***31-03-2019***
Fair value of Investment Properties	***520.85***	***491.75***

(f) Information regarding Income & Expenditure of Investment Property are given below:

Rental Income derived from Investment Properties	*8.96*	*7.77*
Less: Direct Operating Expenses (including Repairs & Maintenance) generating Rental Income	*0.21*	*0.24*
Profit from investment properties before depreciation	*8.75*	*7.53*
Less: Depreciation	*2.98*	*6.44*
Profit from investment properties	***5.77***	***1.09***

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9 Intangible Assets

₹ 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 43)	Deductions / Adjustments	As at the end of the year	As at the end of the year
Mining rights	2019-20	36.28	-	-	36.28	15.34	2.69	-	18.03	18.25
	2018-19	25.57	10.71	-	36.28	13.66	1.68	-	15.34	20.94
Mine Development	2019-20	108.45	21.59	10.23	119.81	91.28	18.81	10.23	99.86	19.95
	2018-19	87.79	20.66	-	108.45	68.57	22.71	-	91.28	17.17
Computer Software	2019-20	48.38	12.41	35.39	25.40	31.97	10.54	35.39	7.12	18.28
	2018-19	74.89	5.77	32.28	48.38	55.19	9.06	32.28	31.97	16.41
Power Transmission system	2019-20	0.87	-	-	0.87	0.52	0.17	-	0.69	0.18
	2018-19	7.39	-	6.52	0.87	6.46	0.58	6.52	0.52	0.35
Total	**2019-20**	**193.98**	**34.00**	**45.62**	**182.36**	**139.11**	**32.21**	**45.62**	**125.70**	**56.66**
	2018-19	**195.64**	**37.14**	**38.80**	**193.98**	**143.88**	**34.03**	**38.80**	**139.11**	**54.87**

Note: Deductions / adjustments represent intangible assets de-recognised from the financial statements since no future economic benefit is expected.

10 Intangible Assets under Development

₹ in Crores

Particulars	Year	As at the beginning of the year	Additions	Captialised	As at the end of the year
Mine Development	2019-20	21.82	25.87	21.59	26.10
	2018-19	24.89	17.59	20.66	21.82

11 Investments in Subsidiaries / Associates

₹ in Crores

Particulars	Face Value ₹ per Share	As at 31-03-2020		As at 31-03-2019	
		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	25,600	0.29	25,600	0.29
Total Quoted Investments (A)			**111.38**		**111.38**
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 Transcarrier Limited	1	5,37,50,000	5.37	5,37,50,000	5.37
Lynks Logistics Limited	1	40,00,00,000	40.00	25,00,00,000	25.00
Sub-total			**45.37**		**30.37**
Total Unquoted Investments (B)			**51.71**		**36.71**
Total Investments in Subsidiaries / Associates (A) + (B)			**163.09**		**148.09**
Aggregate Market Value of Quoted Investments			**193.73**		**416.30**

Notes

(a) *The Company has accounted for investments in Subsidiaries and Associates at Cost. Refer Note 52(a) and 52(b) for information on principal place of business / country of incorporation and the Company's ownership interest / percentage of shareholding in the above subsidiaries and associates.*

(b) *The Company has recognised the fair value of transaction cost amounting to ₹ 1.12 Crores and ₹ 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 in accordance with the requirements of Ind AS 109. The said transaction cost continue to be part of carrying amount until such investments are derecognized or impaired. Refer Note 54 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. Hence considering the long term prospects, no impairment is considered necessary as at the reporting date.*

(d) *During the year, the Company has made strategic investments in equity shares of Lynks Logistics Limited for ₹ 15 Crores. The investee company have proposed to apply this funds for expansion of their business.*

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for the year ended 31st March 2020

12 Other Investments

₹ in Crores

Particulars	Face Value ₹ per Share	As at 31-03-2020		As at 31-03-2019	
		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	2.84	17,400	3.43
HDFC Bank Limited	2	2,500	0.22	2,500	0.58
Sub-total			**3.06**		**4.01**
Investments in Mutual Funds (measured at FVTPL)					
HDFC Mutual Fund	10	4,89,192	0.42	4,49,842	0.54
Sub-total			**0.42**		**0.54**
Total Quoted Investments (A)			**3.48**		**4.55**
Aggregate Market Value of Quoted Investments			**3.48**		**4.55**
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 [Refer Note (b) below]	0.10	58	-	58	-
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)			**25.61**		**26.68**

Notes

(a) *The company has invested ₹ 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, 6,16,400 shares (PY: 9,64,800 shares) are being held jointly with the related parties as at the reporting date. Consequently, the related parties have used the entitled power of 2.30 MW (PY: 3.60 MW) for which the charges were borne by them directly and balance power of 3.70 MW (PY: 2.40 MW) were used by the Company captively. The Company has collected 10 paise per unit for the power consumed by the related parties by virtue of joint entitlement of power. [Refer Note 53(c)(4) & Note 53(a)(12)].*

(b) *The Company received 58 equity shares of ₹ 0.10 each of Chennai Super Kings Cricket Limited (CSKCL), free of cost, determined in the ratio of 1 equity share of ₹ 0.10 each of CSKCL for every equity share of ₹ 10 each held in India Cements Limited.*

(c) *Refer Note 54 for information about fair value hierarchy under Disclosure of Fair value measurements.*

13 Loans (Non-current)

Particulars	31-03-2020	31-03-2019
Secured and Considered Good		
Loans to employees	8.49	8.78
Loans and advances to service providers	6.65	4.79
Unsecured and Considered Good		
Loans to Subsidiaries & Associates [Refer Note 53(c)(2)]	41.68	17.95
Loans to employees	3.23	2.82
Total	**60.05**	**34.34**

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 by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.*

(c) *Loans and advances to Subsidiaries & Associates comprises ₹ 18.15 Crores (PY: ₹ 8.50 Crores) towards outstanding loans in connection with acquisition of capital asset and ₹ 23.53 Crores (PY: ₹ 9.45 Crores) towards working capital in the normal course of business.*

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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₹ in Crores

Particulars	31-03-2020	31-03-2019
14 Other Financial Assets (Non-current)		
Unsecured and Considered Good		
Deposit with Government Departments	16.77	15.25
Fixed Deposits with Banks (maturity more than 12 months)	2.09	2.07
Total	**18.86**	**17.32**

Note: Fixed Deposits with Banks represent amount held as security towards Government departments / Borrowings.

15 Other Non-Current Assets

Secured and Considered Good		
Capital Advances	237.20	150.29
Unsecured and Considered Good		
Capital Advances	47.09	57.76
Deposits under protest, in Appeals [Refer Note No.46.2.1 to 46.2.22]	34.45	35.43
Balance/Claims with Government Departments	2.83	2.83
Income Tax Refund receivable	8.90	15.20
Prepaid Expenses	13.48	15.93
Total	**343.95**	**277.44**

Notes

(a) *Capital Advances are secured 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 ₹ 1.50 Crores (PY: ₹ 1.50 Crores) from the Government of Tamil Nadu, which is included in 'Balance / Claims with Government Departments'.*

(c) *Prepaid Expenses include Nil (PY: ₹ 6.84 Crores) towards unamortised upfront premium paid towards lease of land and out of which, Nil (PY: ₹ 0.18 Crores) have been classified under Other current assets. Consequent to adoption of Ind AS 116, using Modified Retrospective Method, with effect from 1-4-2019, the Company has recognised Right-of-Use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, if any, relating to that lease recognized in the balance sheet immediately before the date of initial application [Refer Note 50].*

16 Inventories (Valued at lower of Cost or Net Realisable Value)

Raw materials	154.15	135.85
Stores and Spares	172.81	152.64
Fuel	169.01	176.25
Packing Materials	28.04	21.07
Work-in-progress	53.77	40.01
Finished goods	67.48	33.85
Total	**645.26**	**559.67**

Notes

(a) *Goods in transit included in Inventories -*

Raw materials	*0.03*	-
Stores and Spares	*0.21*	-
Total	***0.24***	**-**

(b) *The total carrying amount of inventories as at the reporting date has been pledged as security for Short term Borrowings.*

₹ in Crores

Particulars	31-03-2020	31-03-2019
17 Trade Receivables		
Secured and considered good	285.67	290.80
Unsecured and considered good	241.18	199.17
Unsecured and which have significant increase in credit risk	6.60	6.93
Less: Allowance for expected credit loss	(6.60)	(6.93)
Total	**526.85**	**489.97**

Notes

(a) *Unsecured Trade Receivables include dues from -*

- State Electricity Boards towards Sale of Power	*134.13*	*85.56*
- State Government departments towards Sale of Cement	*11.34*	*13.20*
- Associates towards Sale of Cement	*-*	*1.15*
Total	***145.47***	***99.91***

(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.*

(c) *Trade receivables in respect of cement are generally non-interest bearing.*

(d) *The receivables due from the related parties are furnished in Note 53(c)(1).*

(e) *Trade receivables under Unsecured and Considered Good is after deduction of ₹ 30.43 Crores (PY: Nil), since the Company has received the money from the bank on account of factoring of certain receivables by assigning its rights and privileges to the bank pertaining to such receivables.*

(f) *Refer Note 55 for information about risk profile of Trade Receivables under Financial Risk Management.*

(g) *The total carrying amount of trade receivables has been pledged as security for Short term Borrowings.*

18 Cash and Cash Equivalents

Cash on hand	0.10	0.09
Imprest balances	0.03	0.04
Balances with Banks in Current Account	61.07	57.43
Total	**61.20**	**57.56**

Notes

(a) *There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.*

(b) *Refer Note 55 for information about risk profile of cash and cash equivalents under Financial Risk Management.*

19 Bank Balances other than Cash and Cash Equivalents

Fixed Deposits with Banks (maturity of more than 3 months but less than 12 months)	27.64	31.94
Earmaked Balance with Banks for Unclaimed Dividend	2.58	3.26
Total	**30.22**	**35.20**

Notes

Fixed Deposits with Banks include -

(a) *Amount deposited by the Company as per the directions issued by Competition Appellate Tribunal in the matter of alleged cartelisation [Refer Note 46.2.6]*	*25.86*	*25.86*
(b) *Interest accrued on the above*	*1.66*	*-*
(c) *Amount deposited which is held towards security to various Government departments*	*0.12*	*0.08*

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for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
20 Loans (Current)		
Secured and Considered Good		
Loans to employees	3.13	3.06
Loans and advances to service providers	8.28	6.39
Unsecured and Considered Good		
Loans and advances to Associates [Refer Note 53(c)(2)]	8.97	8.97
Loans and advances to other related parties [Refer Note 53(c)(2)]	4.30	4.41
Loans to employees	4.78	4.54
Loans and advances to service providers	0.33	0.01
Total	**29.79**	**27.38**

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 by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.*

(c) *Loans and advances to Associates comprises ₹ 8.92 Crores (PY: ₹ 8.92 Crores) towards outstanding advances in connection with acquisition of capital asset and ₹ 0.05 Crores (PY: ₹ 0.05 Crores) towards security deposits in the normal course of business.*

(d) *Loans and advances to other related parties represent advances towards operations in the normal course of business.*

21 Other Financial Assets (Current)

Unsecured and Considered Good		
Advances/Claims receivable	43.49	44.01
Deposits with Government Departments	0.71	0.62
Industrial Promotion Assistance receivable	52.44	37.62
Interest receivable	2.09	5.80
Unbilled Revenue	3.70	5.28
Total	**102.43**	**93.33**

Notes

(a) *Industrial Promotion Assistance receivable represents amount receivable from Government of Andhra Pradesh.*

(b) *Unbilled Revenue represent Contract assets for which the Company has evacuated the power to the grid but not billed to the customer based on power purchase agreement for windpower.*

22 Current Tax Assets

Advance Income Tax & Tax deducted at source (net of provision for tax)	2.29	5.49
Total	**2.29**	**5.49**

Note: Advance Income Tax & Tax deducted at source is net of provision for tax of ₹ 135.34 Crores (PY: ₹ 187.91 Crores)

23 Other Current Assets

Unsecured and Considered Good		
Balance/Claims with Government Departments	2.75	5.48
Advances to Suppliers & Service providers	27.47	37.85
Tax Credit - Indirect taxes	123.95	38.01
Prepaid Expenses	15.76	25.90
Total	**169.93**	**107.24**

Note: Tax Credit - Indirect taxes include un-utilised input tax credit availed under GST for the ongoing capacity expansions. These credits are available for set-off in the subsequent periods.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
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24 Equity Share Capital

₹ in Crores

Particulars	As at 31-03-2020	As at 31-03-2019
Authorised		
25,00,00,000 Equity Shares of ₹ 1/- each	25.00	25.00
(PY: 25,00,00,000 Equity Shares of ₹ 1/- each)		
Issued, Subscribed and Fully paid-up		
23,55,76,780 Equity Shares of ₹ 1/- each	23.56	23.56
(PY: 23,55,76,780 Equity Shares of ₹ 1/- each)		

Note: 2,33,600 bonus shares (PY: 2,33,600 bonus shares) of ₹ 1/- each remain unallotted pending completion of required formalities.

(i) Reconciliation of the number of shares

No. of equity shares at the beginning of the year	23,55,76,780	23,55,76,780
Issue of Equity Shares during the year	-	-
No. of Equity shares at the end of the year	23,55,76,780	23,55,76,780

(ii) Term/Rights/Restrictions attached to Equity Shares

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

(iii) Shareholders holding more than 5 percent in the Company

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Ramco Industries Limited	4,95,89,420	21.05	4,94,60,420	21.00
Rajapalayam Mills Limited	3,30,65,000	14.04	3,30,65,000	14.04
Kotak Mahindra Mutual Fund	1,54,32,605	6.55	1,03,20,359	4.38
L & T Mutual Fund	1,06,98,239	4.54	1,26,66,715	5.38

Particulars	As at 31-03-2020	As at 31-03-2019
(iv) Aggregate number of equity shares of ₹ 1/- each bought back during the period of five years immediately preceeding the reporting date	25,00,000	25,00,000
(v) Number of Equity Shares of ₹ 1/- each reserved for issue under Employee Stock Options Scheme, 2018. Refer Note 49 for terms,conditions and other disclosures as per Ind AS 102.	5,15,600	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

25 Other Equity

₹ in Crores

Particulars	31-03-2020	31-03-2019
Capital Redemption Reserve		
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.

Particulars	31-03-2020	31-03-2019
General Reserve		
Balance as per last financial statement	4,230.86	3,812.70
Add: Amount transferred from Retained Earnings	437.88	418.16
Total	**4,668.74**	**4,230.86**

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.

Particulars	31-03-2020	31-03-2019
Employee Stock Options Reserve		
Balance as per last financial statement	-	-
Add: Reserve created for ESOP granted during the year	21.52	-
Total	**21.52**	**-**

Nature of Reserve

The share based payment reserve represent amount recognisesd towards the value of equity-settled share based payments granted to employees under ESOS 2018.

Particulars	31-03-2020	31-03-2019
Retained Earnings		
Balance as per last financial statement	200.00	200.00
Add: Profit for the year	601.09	505.89
Add: Transfer from FVTOCI Reserve	(6.86)	(2.45)
Sub-total	**794.23**	**703.44**
Less: Appropriations		
Interim Dividend (₹ 2.50 per share for the year 2019-20)	58.95	-
Dividend Distribution Tax on Interim Dividend	12.12	-
Final Dividend (₹ 3/- per share for FY 2018-19; PY: ₹ 3/- per share for FY 2017-18)	70.74	70.74
Dividend Distribution Tax on Final Dividend	14.54	14.54
Transfer to General reserve	437.88	418.16
Total Appropriations	**594.23**	**503.44**
Total	**200.00**	**200.00**

Nature of Reserve

Retained Earnings represent the undistributed profits of the Company remaining after transfer to other Reserves.

Particulars	31-03-2020	31-03-2019
Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)		
Balance as per last financial statement	4.06	4.29
Add: Other Comprehensive Income for the year	(7.81)	(2.68)
Sub-total	**(3.75)**	**1.61**
Less: Transfer to Retained Earnings	(6.86)	(2.45)
Total	**3.11**	**4.06**

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	**4,895.00**	**4,436.55**

Note: The Board of Directors have recommended and paid Interim Dividend of ₹ 2.50/- per share for the year 2019-20 (FY 2018-19: Interim dividend: Nil; Final Dividend: ₹ 3/- share).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

26 Long Term Borrowings

₹ in Crores

Particulars	31-03-2020	31-03-2019
Secured		
Redeemable Non Convertible Debentures (NCDs) at par		
7.12% Non Convertible Debentures	100.00	-
7.25% Non Convertible Debentures	95.00	-
6.90% Non Convertible Debentures	100.00	-
7.00% Non Convertible Debentures	100.00	-
Term Loans from Banks	1,222.83	425.81
Soft Loan from Government	133.11	130.28
Unsecured		
Interest free Deferred Sales tax liability	81.40	145.09
Total	**1,832.34**	**701.18**

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

(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.

(iii) The rate of interest and maturity date of redemption of debentures starting from farthest redemption is given below

Particulars	*Maturity Date*	*No. of Instalments*	*Total Amount*
Series D - 7.00% Non Convertible Debentures	*26-05-2023*	*1*	*100.00*
Series C - 6.90% Non Convertible Debentures	*26-08-2022*	*1*	*100.00*
Series B - 7.25% Non Convertible Debentures	*20-12-2021*	*1*	*95.00*
Series A - 7.12% Non Convertible Debentures	*18-06-2021*	*1*	*100.00*
Total		***4***	***395.00***

(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.

(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) Term Loan from Banks amounting to ₹ 700 Crores, ₹ 450.83 Crores and ₹ 400 Crores carry Interest Rate linked to MCLR, which stood at 7.85% p.a., 7.95% p.a. and 8% p.a. respectively, as at the reporting date. The interest rates are reset on monthly / quarterly basis. The term loans are repayable in equal quarterly instalments at various dates and the maturity profile grouped as given below:

Repayment Due	*No. of Instalments*	*Total Amount*
2020 - 21	*12*	*328.00*
2021 - 22	*12*	*453.42*
2022 - 23	*12*	*424.01*
2023 - 24	*12*	*274.15*
2024 - 25	*6*	*51.25*
2025 - 26	*4*	*20.00*
Sub-total	***58***	***1,550.83***
Less: Transferred to Current maturities of Long term borrowings	*12*	*328.00*
Total	***46***	***1,222.83***

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

(c) *Soft Loan from Government*

(i) *The Company has measured the loans availed at a concessional rate at fair value. The difference between fair value of the loan and the carrying amount is classified as Deferred Grant.*

₹ in Crores

Particulars	31-03-2020	31-03-2019
Balance as at the beginning of the year	130.28	126.47
Add: Fair value of Soft loan availed during the year	0.85	2.15
Add: Interest on the fair value of soft loan as at the reporting date	1.98	1.66
Total	**133.11**	**130.28**

(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 soft loan from government being, ₹ 153.04 Crores (Fair value as at the reporting date is ₹ 133.11 Crores), are repayable as per the schedule given below:*

Repayment Due	Instalment Amount
April 2022	30.74
April 2023	50.01
April 2024	30.02
April 2025	18.60
April 2026	10.00
April 2027	5.74
April 2028	4.95
April 2029	2.98
Total	**153.04**

(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:*

Repayment Due	No. of Instalments	Instalment Amount
2020 - 21	7	63.69
2022 - 23	4	16.24
2023 - 24	9	38.21
2024 - 25	4	18.64
2025 - 26	3	8.31
Sub-total	**27**	**145.09**
Less: Transferred to Current maturities of Long term borrowings	7	63.69
Total	**20**	**81.40**

(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 is as below*

Particulars	Amount
(i) Incremental borrowings done in FY 2019-20 - Long term borrowings from Bank	1,520.00
(ii) Mandatory borrowing to be done through issuance of debt securities [25% of (i)]	380.00
(iii) Actual borrowings done through debt securities, Non-convertible debentures	395.00
(iv) Shortfall in the mandatory borrowings through debt securities, if any	-
(v) Reasons for shortfall, if any, in mandatory borrowings through debt securities	Not Applicable

₹ in Crores

Particulars	31-03-2020	31-03-2019
27 Other Financial Liabilities		
Lease Liabilities [Refer Note 50]	8.06	-
Total	**8.06**	**-**

28 Provisions (Long term)

Provision for Mines Restoration Obligation	24.03	15.69
Total	**24.03**	**15.69**

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.*

(b) *Movement in Provisions for Mines Restoration Obligation*

Carrying amount as at the beginning of the year	*15.69*	*8.65*
Add: Provision created during the year	*6.37*	*5.82*
Add: Unwinding of discount on provisions	*1.97*	*1.22*
Carrying amount as at the end of the year	***24.03***	***15.69***

29 Deferred Tax Liabilities (net)

Particulars	As at 01-04-2018	MAT Credit Utilised	Recognised in Profit and Loss	As at 31-03-2019	MAT Credit Reversed	Recognised in Profit and Loss	As at 31-03-2020
Tax Impact on difference between book depreciation and depreciation under the Income Tax Act, 1961	904.81	-	9.35	914.16	-	75.39	989.55
Tax Impact on amortization of intangible assets	0.32	-	(0.21)	0.11	-	(0.06)	0.05
Tax Impact on provision for compensated absences	(8.88)	-	1.05	(7.83)	-	(1.29)	(9.12)
Tax Impact on allowance for expected credit losses	(3.47)	-	1.05	(2.42)	-	0.11	(2.31)
Tax Impact on lease accounting as per Ind AS 116	-	-	-	-	-	(0.02)	(0.02)
Tax Impact on Asset related subsidy from Government	(0.13)	-	0.03	(0.10)	-	0.02	(0.08)
Unused tax credits (i.e) MAT Credit Entitlement	(97.03)	(50.25)	13.81	(32.97)	0.07	(27.29)	(60.33)
Others	(0.51)	-	-	(0.51)	-	-	(0.51)
Total	**795.11**	**(50.25)**	**25.08**	**870.44**	**0.07**	**46.86**	**917.23**

Reconciliation of Deferred tax Liabilities (Net)

Particulars	31-03-2020	31-03-2019
Balance at the beginning of the year	**870.44**	**795.11**
Deferred Tax Expense during the year recognised in Statement of Profit and Loss	46.86	25.08
MAT Credit utilised during the year	(0.07)	50.25
Balance at the end of the year	**917.23**	**870.44**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

₹ in Crores

Particulars		31-03-2020	31-03-2019
Components of Tax Expenses			
(i)	**Profit or Loss Section**		
	Current Tax		
	Current Income Tax charge	139.02	189.44
	Current Tax adjustments of earlier years	0.24	(4.83)
	Deferred Tax		
	Relating to the origination and reversal of temporary differences	74.28	10.97
	MAT Credit Recognition	(36.74)	-
	Deferred Tax adjustments of earlier years	9.32	14.11
	Total Tax Expenses recognised in Profit or Loss section	**186.12**	**209.69**
(ii)	**Other Comprehensive Income Section**		
	Current Tax credit on remeasurement losses on defined benefit obligations (net)	(3.68)	(1.53)
	Total Tax Credit to OCI	**(3.68)**	**(1.53)**
(iii)	**Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)**	**182.44**	**208.16**

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:

Accounting Profit before Tax (including OCI)	**775.72**	**711.37**
Corporate Tax Rate %	34.944%	34.944%
Computed Tax Expense	**271.07**	**248.58**
Increase/(reduction) in taxes on account of:		
Tax adjustments of earlier years	9.56	9.28
Non-deductible expenses	12.97	15.54
Income exempt / eligible for deduction under chapter VI-A	(110.40)	(64.20)
Additional allowances / deductions for tax purposes	(0.76)	(1.04)
Tax Expenses recognised in the Statement of Profit and Loss	**182.44**	**208.16**

Notes

(a) The Company provides for taxation based on MAT method (PY: Regular method) during the year.

(b) Tax adjustments of earlier years represent amount provided for / written back based on recent assessment orders.

(c) A new Section 115BAA in the Income Tax Act, 1961, vide the Taxation Laws (Amendment) Ordinance 2019, is introduced providing domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01-04-2019 subject to certain conditions. Since new tax regime are not beneficial in view of various deductions, exemptions and MAT Credit Entitlement available under existing tax regime, the Company has not adopted new tax rates for the year and continue to adopt tax rates under existing tax regime. Accordingly, the Company has recognised deferred tax at the existing rates.

30 Deferred Government Grants (Non-current)

Deferred Government Grant	12.83	13.07
Total	**12.83**	**13.07**

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 recognised as Grant Income over the useful life of the underlying PPE.

(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.

₹ in Crores

Particulars	31-03-2020	31-03-2019
(b) Movement in Government Grants		
As at the beginning of the year	*14.35*	*13.84*
Add: Recognition of Deferred Grant - Soft Loan from Government [Refer Note 26(c)]	*2.12*	*2.81*
Less: Recognised as Grant Income in the Statement of Profit and Loss [Refer Note 37]	*2.26*	*2.30*
Total Deferred Government Grant	***14.21***	***14.35***
Less: Current portion of Government Grant [Refer Note 36]	*1.38*	*1.28*
Non-Current Deferred Government Grants	***12.83***	***13.07***

31 Short Term Borrowings

Secured		
Loan from Banks	140.00	40.00
Cash credit	-	21.51
Unsecured		
Loans and advances from Director	1.39	2.07
Loan from Banks	260.00	210.00
Commerical Papers	398.67	440.00
Total	**800.06**	**713.58**

Notes

(a) Borrowings are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future, and specific fixed deposits.

(b) Loans and advances from Director represents amount due to Chairman and 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 ₹ 0.15 Crores (PY: ₹ 0.18 Crores).

(c) Other Short term borrowings availed during the year carry interest rates ranging from 6% to 9.28% p.a.in respect of Loan from Banks, 8.90% to 9.20% p.a. in respect of Cash credit and 5.20% to 7.90% p.a. in respect of Commerical Papers.

(d) Refer Note 55 for information about risk profile of borrowings under Financial Risk Management.

32 Trade Payables

Dues of Micro and Small Enterprises	14.15	8.35
Dues of Creditors other than Micro and Small Enterprises		
- Payables to Related parties [Refer Note 53(c)(7)]	1.04	-
- Others	326.25	248.86
Total	**341.44**	**257.21**

Notes

The categorization of supplier as MSME registered under the Act, has been determined based on the information available with the Company as at the reporting date.The disclosures as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006 are furnished as below:

(a) (i) The principal amount remaining unpaid to any supplier at the end of the financial year included in Trade payables	*14.15*	*8.35*
(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	*-*	*-*

Refer Note 55 for information about risk profile of Trade payables under Financial Risk Management.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
33 Other Financial Liabilities		
Lease Liabilities [Refer Note 50]	0.10	-
Current Maturities of Long Term Borrowings [Refer Note 26]	391.69	203.94
Interest accrued	10.77	1.36
Unclaimed dividends	2.58	3.26
Unclaimed Matured Fixed Deposits	0.01	0.01
Security Deposits from		
- Subsidiaries & Associates [Refer Note 53(c)(4) & Note 53(c)(5)]	0.11	0.22
- Other related parties [Refer Note 53(c)(4)]	0.23	0.23
- Customers	458.52	554.39
- Service providers	5.14	5.10
Payables for Capital Goods	150.93	54.97
Financial Guarantee Obligation [Refer Note 47]	2.77	3.81
Book overdraft	33.64	98.40
Other payables	3.45	4.15
Total	**1,059.94**	**929.84**

Notes

(a) *Current maturities of Long term Borrowings comprises of maturities towards:*

Term Loan from Banks	*328.00*	*104.19*
Interest free Deferred Sales tax liability	*63.69*	*99.75*
Total	***391.69***	***203.94***

The details with regard to nature of security are furnished in Note 26.

(b) *Unclaimed Dividends / Fixed deposits 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.*

34 Other Current Liabilities

Statutory liabilities payable	37.86	63.80
Advances from / Credit balances with Customers	64.23	56.72
Total	**102.09**	**120.52**

Notes

(a) *Advances / Credit balances with Customers represent contract liabilities for which performance obligations are pending as at the reporting date. These are received in the normal course of business and adjusted against subsequent supplies.*

(b) *The Company has applied the exemption specified in Paragraph 121 of Ind AS 115, since all the goods or services supplied by the Company are due for delivery within the next 12 months*

35 Provisions (Short term)

Provision for Compensated absences [Refer Note 48]	26.09	22.41
Provision for disputed income tax liabilities	2.95	2.88
Total	**29.04**	**25.29**

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 Balance Sheet date, using Projected Unit Credit method.*

₹ in Crores

Particulars		31-03-2020	31-03-2019
(b)	*Movement in Provisions for compensated absences*		
	Carrying amount as the beginning of the year	*22.41*	*25.42*
	Add: Current Service Cost	*0.91*	*0.81*
	Add: Interest Cost	*1.65*	*1.65*
	Add: Actuarial Loss	*3.38*	*4.04*
	Less: Benefits paid	*2.26*	*9.51*
	Carrying amount as at the end of the year	***26.09***	***22.41***
(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*		
	Carrying amount as the beginning of the year	*2.88*	*23.01*
	Add: Provision reclassified from Liabilties for current tax	*0.07*	*4.58*
	Less: Tax adjustments based on completed assessments	*-*	*19.88*
	Less: Excess tax provision written back during the year	*-*	*4.83*
	Carrying amount as at the end of the year	***2.95***	***2.88***

36 Deferred Government Grants (Current)

Deferred Government Grants [Refer Note 30]	1.38	1.28
Total	**1.38**	**1.28**

37 Revenue from Operations

Sale of Products		
Domestic Sales		
Cement	5,126.96	4,902.03
Clinker	-	0.04
Dry Mortar Products	30.59	29.72
Ready Mix Concrete	14.16	15.97
Export Sales		
Cement - Direct Exports	1.86	5.70
Cement - Deemed Exports	16.83	19.21
Cement - Sale through Foreign branch	95.02	87.57
Other Operating Revenue		
Sale of power generated from Windmills	58.07	61.75
Scrap Sales	11.97	11.63
Industrial Promotion Assistance	10.72	10.35
Deferred Grant Income [Refer Note 30]	2.26	2.30
Total	**5,368.44**	**5,146.27**

Notes

(a) *The disaggregation of revenue as required under Ind AS 115 is given below*

Gross Revenue from Operations	*7,884.42*	*7,467.21*
Less: Rebates & Discounts	*1,050.33*	*900.76*
Less: Taxes (GST / VAT)	*1,465.65*	*1,420.18*
Revenue from Operations, net of duties and taxes	***5,368.44***	***5,146.27***

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

₹ in Crores

Particulars		31-03-2020	31-03-2019
(b) *The Company has generated 22.68 Crore units (PY: 24.26 Crore units) net of wheeling and banking at windfarms.Out of 22.68 Crore units (PY: 24.26 Crore units) of power generated,*			
- Units sold to TANGEDCO / Third party for ₹ 58.07 Crores (PY: ₹ 61.75 Crores) shown under 'Sale of power generated from windmills'.	*In Crore units*	*19.37*	*20.69*
- Units consumed at the cement plants. The monetary value of such units was not recognised as it is inter-divisional transfer	*In Crore units*	*2.96*	*3.29*
- Units adjusted towards transmission loss	*In Crore units*	*0.35*	*0.28*

(c) *Income recognised as Industrial Promotion Assistance represents amount receivable from Government of Andhra Pradesh under IDP 2015-20 Scheme.*

(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 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 31-03-2020 and 31-03-2019.*

38 Other Income

Interest Income	14.09	10.45
Dividend Income	1.43	0.78
Sundry Receipts	8.80	6.84
Lease Rental Receipts	10.39	8.89
Carbon Credit sales	0.19	-
Gain on Exchange Difference (net)	2.13	-
Profit on Sale of Property, plant and equipment & Investment Property (net)	0.17	1.48
Total	**37.20**	**28.44**

Notes

(a) *Interest Income include interest receivable for settlement of overdue oustandings by TANGEDCO - ₹ 2.27 Crores (PY: Nil). 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:*

- Deemed Cost (Subsidiaries and Associates)	*1.35*	*0.68*
- Fair value through Profit and Loss (FVTPL)	*0.05*	*0.05*
- Fair value through Other Comprehensive Income (FVTOCI)	*0.03*	*0.05*
Total	***1.43***	***0.78***

Dividend income include ₹ 0.01 Crores relating to investments measured at FVTOCI that are derecognised during previous reporting period.

(c) *Sundry Receipts include Duty Drawback from Customs towards Exports of ₹ 0.61 Crores (PY: ₹ 0.63 Crores) and fair value recognition of financial guarantee contracts of ₹ 1.04 Crores (PY: ₹ 1.24 Crores).*

(d) *The disclosures pertaining to lease rental receipts as required under Ind AS 116 are disclosed in Note 50.*

39 Cost of Materials Consumed

Lime stone	350.76	341.72
Freight & Handling - Inter unit clinker transfer	223.09	223.52
Pozzolona Material	106.59	113.97
Gypsum	65.50	48.72
Clinker	80.35	-
Aggregates	16.72	14.86
Other Additives	63.43	76.56
Material handling expenses	14.71	9.24
Total	**921.15**	**828.59**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
40 Changes in Inventories of Finished goods and Work-in-progress		
Closing Stock		
Finished Goods	67.48	33.85
Work-in-progress	53.77	40.01
	121.25	**73.86**
Opening stock		
Finished Goods	33.85	36.19
Work-in-progress	40.01	55.97
	73.86	**92.16**
Total	**(47.39)**	**18.30**

41 Employee Benefits Expense

Salaries and Wages	288.22	272.83
Workmen and Staff welfare	34.31	30.74
Contribution to Provident Fund and other funds [Refer Note 48]	34.69	30.30
Employee Stock Options Expense [Refer Note 49]	21.52	-
Sub-total	**378.74**	**333.87**
Less: Amount recognised in Other Comprehensive Income	10.54	4.38
Total	**368.20**	**329.49**

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 48 for disclosures pertaining to defined benefit obligations under Ind AS 19.*

42 Finance Costs

Interest on Term loans	59.99	48.33
Interest on Debentures	5.20	-
Interest expense on lease liabilities [Refer Note 50]	0.19	-
Others	5.97	2.54
Total	**71.35**	**50.87**

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 ₹ 82.97 Crores (PY: ₹ 29.17 Crores) attributable to the qualiying assets.*

(c) *Others include unwinding of discounts on provisions of ₹ 1.97 Crores (PY: ₹ 1.22 Crores)*

(d) *Refer Note 55 for information about Interest rate risk exposure under Financial Risk Management.*

43 Depreciation & Amortisation Expense

Depreciation on Property, Plant & Equipment [Refer Note 6]	281.20	258.28
Depreciation on Investment Property [Refer Note 8]	2.98	6.44
Amortization of Intangible Assets [Refer Note 9]	32.21	34.03
Sub-total	**316.39**	**298.75**
Less: Depreciation transferred to Capital Work in Progress	1.13	0.23
Total	**315.26**	**298.52**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

44 Other Expenses

₹ in Crores

Particulars	31-03-2020	31-03-2019
Manufacturing Expenses		
Packing Materials consumption	211.21	214.82
Stores and Spares consumption	69.02	57.82
Repairs to Plant and equipments	83.59	70.79
Repairs to Buildings	16.48	16.43
Repairs to Vehicles and locomotives	10.39	9.52
General repairs	0.24	0.32
Establishment Expenses		
Managing Director Remuneration	40.91	37.17
IT & Communication expenses	19.28	19.66
Insurance	11.57	9.95
Exchange Difference (net)	-	0.59
Outsourced establishment expenses	9.19	5.69
General Administration Expenses	4.57	4.55
Travelling expenses	31.53	28.35
Training & Development Expenses	2.35	0.49
Filing & Registration Fees	0.22	0.36
Lease Rent	13.68	13.63
Miscellaneous Expenses	10.45	8.94
Legal and Consultancy expenses	7.11	5.03
Bank Charges	1.25	1.10
Audit Fees and Expenses	0.47	0.44
Security Charges	19.81	16.47
Board Meeting expenses	0.08	0.07
Directors' Sitting fees	0.55	0.43
Donations	21.00	26.49
CSR expenditure	14.99	17.97
Rates and taxes	16.73	13.73
Selling and Distribution Expenses		
Advertisement expenses	108.79	42.77
Sales Promotion expenses	61.92	53.76
Selling Agents' Commission	19.86	16.55
Other Selling expenses	3.41	4.35
Impairment allowance for trade receivables	0.14	-
Total	**810.79**	**698.24**

Notes

(a) The disclosures pertaining to lease rent as required under Ind AS 116 are disclosed in Note 50.

₹ in Crores

Particulars	31-03-2020	31-03-2019
(b) Audit Fees and Expenses (net of tax credits)		
Statutory Auditors		
- Statutory Audit [include Foreign Branch Audit fees of ₹ 0.01 Crores (PY: 0.01 Crores)]	0.26	0.26
- Other Certification work	0.06	0.01
- Reimbursement of Expenses	0.03	0.04
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	0.05	0.05
- Reimbursement of Expenses	0.00	0.00
Secretarial Auditors		
- Secretarial Audit	0.03	0.04
- Reimbursement of Expenses	0.01	0.01
Total	**0.47**	**0.44**

(c) Donations include -

- Contributions to Political parties through Electoral Bonds / Cheque	17.00	21.00
- Contributions to Chief Minister's Relief Fund, Odisha	2.00	-
- Contributions to Chief Minister's Distress Relief Fund, Kerala	-	2.00
- Contributions to Chief Minister's Public Relief Fund, Tamil Nadu	-	1.20
Total	**19.00**	**24.20**

(d) The Company is required to spend gross CSR expenditure of ₹ 15.60 Crores for the year (PY: ₹ 15.42 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 ₹ 14.99 Crores (PY: ₹ 17.97 Crores) in the following categories, in cash or kind, for the purposes other than the construction / acquisition of asset:

Categories	31-03-2020	31-03-2019
Rural Development Projects	1.56	2.74
Promotion of Education	4.29	6.00
Promotion of Health Care including Preventive Health Care	1.76	2.72
Protection of Art and Culture	0.29	0.22
Restoration of Building and Sites of Historical importance and Works of Art	1.43	0.95
Eradication of Hunger	0.35	1.01
Making available Safe Drinking Water	1.97	1.31
Protection of National heritage Art and culture	0.29	0.31
Promotion of Nationally recognised Sports, Rural sports & Paralympics sports	0.62	0.54
Environmental Sustainability	0.77	0.57
Vocational Skill Training	0.84	0.34
Promotion and Development of Traditional Art	0.06	0.06
Livelihood Enhancement Projects	0.71	0.74
Contribution for setting up of Homes and Hostels for Women and Orphans	0.03	0.06
Measures for the benefit of Armed forces	0.02	0.40
Total	**14.99**	**17.97**

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for the year ended 31st March 2020

₹ in Crores

	Particulars	As at 31-03-2020	As at 31-03-2019
45	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,562.17	1,551.22
46	**Contingent Liabilities**		
46.1	Guarantees given by the bankers on behalf of company	145.96	105.26
46.2	Demands/Claims not acknowledged as Debts in respect of matters in appeals relating to -		
	Income Tax [Refer Note 46.2.1]	56.20	2.99
	VAT & Input Tax Credit, CST [Refer Note 46.2.2]	9.88	9.88
	Excise Duty, CENVAT Credit [Refer Note 46.2.3]	356.14	571.10
	Other demands [Refer Note 46.2.4 to 46.2.22]	319.65	298.39

46.2.1 Income tax assessments have been completed up to the accounting year ended 31-03-2015 i.e., Assessment Year 2015-16. The company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. As against the tax demand of ₹ 56.20 Crores (PY: ₹ 2.99 Crores), the department has adjusted ₹ 2.56 Crores (PY: ₹ 2.99 Crores) against refund due / tax credits. In the opinion of Management, there may not be any tax liability with regard to the said disallowances and the refunds so adjusted for ₹ 2.56 Crores are held in “Deposits under protest, in appeals” under other non-current assets.

46.2.2 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 ₹ 9.88 Crores (PY: ₹ 9.88 Crores), a sum of ₹ 3.26 Crores (PY: ₹ 3.26 Crores) have been paid under protest. The amount paid under protest is held in “Deposits under protest, in appeals” under other non-current assets.

46.2.3 As against the levy of differential Excise Duty on cement in “Bulk & Cement supplies to industrial consumers” including penalty amounting to ₹ 18.66 Crores (PY: ₹ 262.89 Crores) demanded by the Department, denying the concession provided under relevant notifications, a sum of ₹ 18.43 Crores (PY: ₹ 262.66 Crores) remain un-paid as at 31-03-2020. The Company has paid ₹ 0.23 Crores (PY: ₹ 0.23 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. During the current year, the Honourable Supreme court has dismissed the appeal filed by the department on the similar issue. Accordingly, the department has dropped all further proceedings on the periodical show-cause notices issued that were kept pending for adjudication in this matter.

In respect of other disputed demands under adjudication as at 31-03-2020 for ₹ 337.48 Crores (PY: ₹ 308.21 Crores) due to disallowance of CENVAT credit on some of the inputs, capital goods, service tax on goods transports and levy of differential Excise Duty with consequential interest and penalty, a sum of ₹ 317.42 Crores (PY: ₹ 287.42 Crores) remain un-paid. The Company has paid so far ₹ 20.06 Crores (PY: ₹ 20.80 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. Out of the disputed demands of ₹ 337.48 Crores, the Company had favourable orders from the lower authorities for ₹ 78.93 Crores (PY: ₹ 37.66 Crores) against which the Department has preferred appeals before appellate authorities.

During the year the company has opted for Sabka Vishwas (Legacy Dispute Resolution) Scheme notified by the Central Government, to resolve various disputes under Excise, Customs, Service tax and CENVAT credit amounting to ₹ 55.71 Crores (PY: Nil). Out of which, the Company had paid/reversed under protest an amount of ₹ 39.02 Crores during the earlier years. As per the scheme, the company has availed immunity against interest and penalty for ₹ 15.23 Crores on such disputed cases and has paid/adjusted pre-deposits amounting to ₹ 1.46 Crores (PY: Nil) and expensed under “Rates & Taxes” in the Statement of Profit and Loss. Accordingly, the opted disputes were treated as resolved as per the scheme.

46.2.4 TANGEDCO has raised a demand towards compensation charges of ₹ 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 ₹ 0.92 Crores under protest and the same is held in "Deposits under protest, in appeals" under other non-current assets.

46.2.5 Government of Karnataka has imposed Environmental Protection Fee of ₹ 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 ₹ 2.90 Crores (PY: ₹ 2.90 Crores) and the same is held in "Deposits under protest, in appeals" under other non-current assets.

46.2.6 The Competition Commission of India (CCI) vide its order dated 31-08-2016 had imposed a penalty of ₹ 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 Hon'able 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 ₹ 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.

46.2.7 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 ₹ 1.34 Crores has been paid under protest and the same is held in "Deposits under protest, in appeals" under other non-current assets.

46.2.8 Southern Power Distribution Company of Andhra Pradesh Limited has demanded an amount of ₹ 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.

46.2.9 Andhra Pradesh Transmission Corporation Limited (APTRANSCO) has levied ₹ 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 ₹ 3.85 Crores and the balance amount of ₹ 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 Hon'able AP High court. APERC has ordered that this FSA is not leviable from Jan 2013 onwards.

46.2.10 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 ₹ 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 stayed the demands of the Government.

46.2.11 Water Resources Department of Public Works Department, Government of Tamil Nadu had raised a demand of ₹ 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 ₹ 0.30 Crores with the Department and the same is held in "Deposits under protest, in appeals" under other non-current assets.

46.2.12 Environment, Forests Science & Technology Department, Government of Andhra Pradesh has increased the Royalty on the Limestone mined from the Forest Area from ₹ 5/- per permit to ₹ 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 ₹ 1.57 Crores, being the 1/3rd portion up to 31-03-2017. The balance amount of ₹ 3.15 Crores being 2/3rd portion remain unpaid. However, there is no dispute with effect from 01-04-2017 onwards.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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46.2.13 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 ₹ 11.41 Crores and sought refund of un-availed concession of ₹ 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.

46.2.14 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.

46.2.15 TANGEDCO has levied “Scheduling & System Operation charges” for windmills under “Sale to Board” category at ₹ 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 ₹ 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”.

46.2.16 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 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.

46.2.17 TANGEDCO had raised a demand of ₹ 4.28 Crores towards alleged incorrect adjustments of wind energy based on its Audit objections. Against the above demand, a sum of ₹ 2.54 crores was appropriated by TANGEDCO from the Company’s Deposits with them and balance amount of ₹ 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.

46.2.18 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.

46.2.19 The Special Deputy Collector (Stamps), Ariyalur had issued a notice demanding an amount of ₹ 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.

46.2.20 As per the Grid Connectivity and Intra State Open Access Regulations, the TNERC has authorised TANGEDCO to collect Parallel Operation Charges of ₹ 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 ₹ 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.

46.2.21 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 ₹ 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 ₹ 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 ₹ 0.32 Crores (PY: ₹ 0.16 Crores) with the Department and the same is held in "Deposits under protest, in appeals" under other non-current assets. The appeal is pending.

46.2.22 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 ₹ 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 and seek a relief directing the authority to withdraw the demand. The Hon'ble Madras High Court has granted an interim order to stay the demand notice.

47 Financial guarantees

₹ in Crores

Particulars	As at 31-03-2020	As at 31-03-2019
Corporate Guarantees given to banks to avail loan facilities by Related parties:		
- Raja Charity Trust	100.00	100.00
- Ramco Windfarms Limited	-	2.47

Notes

(a) There were no fresh guarantees given on behalf of related parties during the year.

(b) The loan balance with Banks by the related parties, on the strength of the above Corporate Guarantees given by the company are furnished below:

Raja Charity Trust	*20.40*	*27.85*
Ramco Windfarms Limited	*-*	*2.47*

(c) The related parties are prompt in servicing the above loans.

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

Defined Contribution Plan

₹ in Crores

Particulars	31-03-2020	31-03-2019
Employer's Contribution to Provident Fund	16.06	14.52
Employer's Contribution to National Pension System (NPS)	1.37	1.19
Employer's Contribution to Superannuation Fund	8.89	7.66

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)

₹ in Crores

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Reconciliation of Opening and Closing balances of Present Value of Obligation				
As at the beginning of the year	57.26	50.76	22.41	25.42
Current Service Cost	3.27	2.85	0.91	0.81
Past Service Cost	(-) 5.10	Nil	Nil	Nil
Interest Cost	4.34	3.91	1.65	1.65
Actuarial Loss	9.92	3.50	3.38	4.04
Benefits paid	(-) 2.76	(-) 3.76	(-) 2.26	(-) 9.51
As at the end of the year	66.93	57.26	26.09	22.41
Reconciliation of Opening and Closing balances of Fair Value of Plan Assets				
As at the beginning of the year	57.26	50.76	Nil	Nil
Expected Return on Plan Assets	4.66	4.19	Nil	Nil
Actuarial (Loss) / Gain	(-) 0.62	(-) 0.88	Nil	Nil
Employer contribution	8.39	6.95	2.26	9.51
Benefits paid	(-) 2.76	(-) 3.76	(-) 2.26	(-) 9.51
As at the end of the year	66.93	57.26	Nil	Nil
Actual Return on Plan Assets				
Expected Return on Plan Assets	4.66	4.19	Nil	Nil
Actuarial (Loss) / Gain on Plan Assets	(-) 0.62	(-) 0.88	Nil	Nil
Actual Return on Plan Assets	4.04	3.31	Nil	Nil
Reconciliation of Fair Value of Assets and Obligations				
Fair Value of Plan Assets	66.93	57.26	Nil	Nil
Present value of Obligation	66.93	57.26	26.09	22.41
Difference	Nil	Nil	26.09	22.41
Amount recognized in Balance Sheet	Nil	Nil	26.09	22.41

₹ in Crores

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Expenses recognized in the Statement of Profit and Loss				
Current Service Cost	3.27	2.85	0.91	0.79
Net Interest on obligations	(-) 0.32	(-) 0.28	1.65	1.65
Actuarial Loss / (Gain) recognized during the year	Nil	Nil	3.38	4.04
Past service cost	(-) 5.10	Nil	Nil	Nil
Expenses recognised in Profit and Loss section	(-) 2.15	2.57	5.94	6.48
Actuarial changes arising from:				
- Experience adjustments on Plan liabilities	3.04	(-) 0.35	Nil	Nil
- Experience adjustments on Plan Assets	0.62	0.88	Nil	Nil
- Changes in financial assumptions	6.88	3.85	Nil	Nil
- Changes in demographic assumptions	Nil	Nil	Nil	Nil
Expenses recognised in OCI	10.54	4.38	Nil	Nil
Expenses recognised in Total Comprehensive Income	8.39	6.95	5.94	6.48

Expenses recognised in Statement of Profit and Loss in respect of Gratuity Plan include ₹ 0.02 Crores (PY: ₹ 0.02 Crores) pertaining to amount contributed in respect of Subsidiary company. However, the same was recovered from Subsidiary and credited to Contribution to Gratuity Fund.

Investment Details

Funds with LIC	54.58	53.55	Nil	Nil
Bank balance	8.20	0.01	Nil	Nil
Interest, IT refund receivable and Others	4.15	3.70	Nil	Nil
Total	66.93	57.26	Nil	Nil

Actuarial assumptions

Indian Assured Lives Mortality (2012-14)Table	Yes	Yes	Yes	Yes
Discount rate p.a	6.71%	7.76%	6.71%	7.76%
Expected rate of Return on Plan Assets p.a	6.71%	7.76%	Nil	Nil
Rate of escalation in salary p.a	4.00%	4.00%	4.00%	4.00%
Rate of Employee turnover	3.00%	1.00%	3.00%	1.00%

Estimate of Expected Benefit Payments

Year 1	1.99	1.46	0.68	0.44
Year 2	9.09	15.42	2.46	4.80
Year 3	4.38	5.26	1.21	1.76
Year 4	4.92	5.02	1.18	1.54
Year 5	5.32	5.16	1.85	1.67
Next 5 years	29.00	25.41	10.11	8.80

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₹ in Crores

Gratuity Plan (Funded)	31-03-2020	31-03-2019
Enterprise's best estimate of contribution during next 12 months	7.69	3.50
Average Duration of defined benefit obligations (in years)	10.70	8.20

Quantitative Sensitivity Analysis for significant assumptions

Particulars	Effect on Gratuity Obligation		Effect on provision for Compensated Absences	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
0.50% Increase in Discount Rate	63.75	55.17	24.68	21.49
0.50% Decrease in Discount Rate	70.39	59.50	27.60	23.35
0.50% Increase in Salary Growth Rate	70.51	59.60	27.63	23.39
0.50% Decrease in Salary Growth Rate	63.62	55.07	24.64	21.45
0.50% Increase in Attrition Rate	67.87	58.03	26.50	22.71
0.50% Decrease in Attrition Rate	65.94	56.45	25.63	22.04

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.

49. 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 to its eligible employees under various ESOS schemes at its meeting held on 07-08-2019. 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 ₹ 21.52 Crores as Employee stock options expense towards equity-settled share based transactions. There are no cash settlement options alternatives. Other terms and conditions of the plan are tabled below:

Particulars	ESOS 2018 PLAN-A	ESOS 2018 PLAN-B
No. of Options outstanding	2,31,000	2,84,600
Vesting Plan	100% vesting at the end of 1st year	
Exercise Period	Before 31st December of succeeding financial year from the date of vesting	
Grant Date	21st August 2019	
Vesting Date	6th August 2020	
Exercise Price (₹ per Share)	1	100
Fair value of option on the date of grant (₹ per Share)	707.08	614.54
Method of Settlement	Equity-Settled Option	

As per Ind AS 102, grant date means the date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. Since it was agreed by the eligible employees on 21st August 2019, the grant date has been taken as 21st August 2019.

(b) Movement of Options granted along with Weighted Average Exercise Price (WAEP)

In ₹

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Options	WAEP / Share	No. of Options	WAEP / Share
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	5,15,600	55.65	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	5,15,600	55.65	-	-
Exercisable at the end of the year	-	-	-	-

For the options outstanding at the end of the period, the exercise prices range from ₹ 1/- per share to ₹ 100/- per share and the weighted average remaining contractual life as at 31st March 2020 is 128 days.

(c) Fair Valuation of Employee Stock Options

The Weighted average fair value of the options granted during the year is ₹ 656/- per share. The fair value of options has 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 is given below:

Particulars	ESOS 2018 PLAN A	ESOS 2018 PLAN B
Market Price of the underlying asset	₹ 710.90 per share as at 21st August 2019	
Risk Free Rate	7% p.a.	
Option Life	Vesting period of 352 days	
Expected Volatility	10%	
Dividend Yield	0.42%	

Expected Volatility is based on historical volatility of the observed market prices on National Stock Exchange up to the grant date.

50. Disclosures pertaining to adoption of new standard of Ind AS 116, Leases

Consequent to the introduction of Ind AS 116 on Leases replacing the old standard Ind AS 17, the company has applied Ind AS 116 using modified retrospective approach with the date of initial application of 1st April, 2019. Thus, the company has changed its accounting policy and measured lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and recognize Right-of-Use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, if any, relating to that lease recognized in the balance sheet immediately before the date of initial application.

In case of short-term leases, whose lease term is 12 months or less, the Company as a lessee opted to recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term. Further, the company, as a lessee, opted not to apply the requirements whose lease term ends within 12 months from date of initial application. In this case, the company account for those leases in the same way as short-term leases.

The weighted average of company's incremental borrowing rate applied to lease liabilities on the date of initial application is 10% p.a. The reconciliation between operating lease commitments at 31-03-2019 and lease liabilities as at 01-04-2019 and 31-03-2020 are given below:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

₹ in Crores

Particulars	Amount
Lease commitments as at 31st March 2019	**5.41**
Less: Unwinding of Interest on Lease Liabilities	2.43
Less: Leases whose lease term ends within 12 months from date of initial application	0.52
Less: Leases whose non-cancellable period is less than 12 months	0.04
Less: Leases for which there is a change in the expected lease term	0.51
Lease Liabilities as at 1st April 2019	**1.91**
Add: Lease Liability recognition for lease arrangements entered during the period April 2019 to March 2020	6.20
Add: Interest accrued on Lease Liabilities for the period April 2019 to March 2020	0.50
Less: Lease payments for the period April 2019 to March 2020	0.45
Lease Liabilities as at 31st March 2020	**8.16**
Current portion of Lease Liabilities as at 31st March 2020	**0.10**
Non-Current portion of Lease Liabilities as at 31st March 2020	**8.06**

The Company recognized a right-of-use asset of ₹ 8.75 Crores at the date of initial application i.e. as at 1st April 2019, for leases previously classified as an operating lease applying Ind AS 17, at an amount equal to the lease liability of ₹ 1.91 Crores, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application, amounting to ₹ 6.84 Crores, with no restatement of comparative figures in the financial statements.

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

₹ in Crores

Particulars	31-03-2020	31-03-2019
Not later than one year	0.91	0.76
One to five years	3.80	0.95
More than five years	12.58	3.70
Total Undiscounted lease liabilities as at 31st March	**17.29**	**5.41**

Other disclosures as required by Ind AS 116

₹ in Crores

Depreciation charge for Right-of-use asset	0.47	-
Interest on lease liabilities	0.50	-
Expenses relating to short-term leases	13.68	-
Income from sub-leasing right-of-use assets	-	-
Total cash outflow for leases including principal and interest	0.45	-
Additions to Right-of-use assets upon transition to Ind AS 116	14.95	-
Carrying amount of Right-of-use assets at 31st March	14.48	-

Notes

(a) Depreciation charge for Right-of-Use Asset include capitalized portion of ₹ 0.19 Crores (PY: Nil) and Interest on lease liabilities include capitalized portion of ₹ 0.31 Crores (PY: Nil). Since the Company has adopted Ind AS 116 using Modified Retrospective Method with no restatement to comparative figures, previous year figures disclosures are not applicable.

(b) Expenses relating to Short-term lease include leases whose lease term ends within 12 months from date of initial application and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.

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:

₹ in Crores

Particulars	31-03-2020	31-03-2019
Not later than one year	9.32	7.79
One to five years	26.71	40.27
More than five years	8.70	9.01

51 Earnings per Share

₹ in Crores

Particulars	31-03-2020	31-03-2019
Basic Earnings Per Share		
Net profit after tax (A)	601.09	505.89
Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Crores]	23.58	23.58
Nominal value per equity share (in ₹)	1	1
Basic Earnings per share (A)/(B) in ₹	**25**	**21**
Diluted Earnings Per Share		
Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Crores]	23.58	23.58
Potential Equity shares upon exercise of options [In Crores]	0.05	-
Weighted average number of Equity shares including un-allotted Bonus share for computing Dilutive EPS (C) [In Crores]	23.63	23.58
Diluted Earnings per Share (A) / (C) in ₹	**25**	**21**

52 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 2020:

(a) Subsidiaries

Name of the Company	Principal Place of business / Country of Incorporation	% of Shareholding / Ownership interest as at	
		31-03-2020	31-03-2019
Ramco Windfarms Limited	India	71.50	71.50
Ramco Industrial and Technology Services Limited (*)	India	94.11	94.11

(*) it became subsidiary with effect from 21-03-2019

(b) Associates

Ramco Industries Limited	India	15.43	15.43
Ramco Systems Limited	India	17.70	17.71
Rajapalayam Mills Limited	India	0.35	0.35
Madurai Trans Carrier Limited	India	29.86	29.86
Lynks Logistics Limited	India	46.21	49.16

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for the year ended 31st March 2020

(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
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.F. Farooqui	Independent Director
M.S.Krishnan	Independent Director (w.e.f 03-09-2019)

(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
R. Nalina Ramalakshmi	Sister of P.R.Venketrama Raja
S. Sharada 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	Shri Vishnu Shankar Mill Limited
JKR Enterprise Limited	Sudharsanam Investments Limited
Ramco Management Private Limited	

(f) Public Limited Company in which a Director is a Director and holds along with his relatives more than 2% of its paid up share capital (Section 2(76)(v) of Companies Act, 2013)

Coromandel Engineering Company Limited

(g) Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instruction of a Director or Manager (Section 2(76)(vi) of Companies Act, 2013)

Coromandel International Limited

(h) Employee Benefit Funds where control exists

The Ramco Cements Limited Officers' Superannuation Fund
The Ramco Cements Limited Employees' Gratuity Fund

(i) 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	

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

(a) Transactions during the year at Arm's length basis or its equivalent

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
1	**Sale of Goods – Cement**		
	Associates		
	Ramco Industries Limited	11.23	16.14
	Rajapalayam Mills Limited	0.10	0.07
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sandhya Spinning Mill Limited	0.01	0.01
	Sri Harini Textiles Limited	0.00	0.00
	The Ramaraju Surgical Cotton Mills Limited	0.05	0.05
	Rajapalayam Textile Limited	0.01	0.00
	Sri Vishnu Shankar Mill Limited	0.03	0.04
	JKR Enterprise Limited	-	0.00
	Other entities over which there is a significant influence		
	Gowrihouse Metal Works	-	0.01
	Sudarsanam Estate	0.01	-
	Relative of Key Management Personnel		
	R. Sudarsanam	0.02	-
	Total	**11.46**	**16.32**
2	**Sale of Goods – Flyash**		
	Associates		
	Ramco Industries Limited	-	0.08
	Total	**-**	**0.08**
3	**Purchase of Goods – Fibre Sheet and Silicate Boards, Packing materials & Raw materials**		
	Associates		
	Ramco Industries Limited	0.37	0.30
	Related Party as per Section 2(76)(vi) of Companies Act, 2013		
	Coromandel International Limited	5.44	12.82
	Total	**5.81**	**13.12**
4	**Purchase of Goods - Diesel and Petrol**		
	Other entities over which there is a significant influence		
	Smt. Lingammal Ramaraju Shastra Prathishta Trust	0.31	0.29
	PACR Sethuramammal Charity Trust	0.65	0.66
	Ramco Welfare Trust	0.67	0.63
	PAC Ramasamy Raja Centenary Trust	0.11	0.13
	PACR Sethuramammal Charities	0.17	0.32
	Total	**1.91**	**2.03**
5	**Purchase of Goods – Magazine**		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	0.27	0.27
	Total	**0.27**	**0.27**
6	**Purchase of Goods - Stores and Spares**		
	Subsidiaries		
	Ramco Windfarms Limited	-	0.01
	Other entity over which there is a significant influence		
	R. Sudarsanam & Co.	0.10	0.05

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₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
	Companies over which KMP / Relatives of KMP exercise significant influence		
	The Ramaraju Surgical Cotton Mills Limited	0.00	0.00
	Total	**0.10**	**0.06**
7	**Receiving of Services – Transportation**		
	Subsidiaries		
	Ramco Industrial and Technology Services Limited	24.65	28.90
	Total	**24.65**	**28.90**
8	**Receiving of Services – Manpower Supply**		
	Subsidiaries		
	Ramco Industrial and Technology Services Limited	11.50	6.71
	Total	**11.50**	**6.71**
9	**Receiving of Services – Advertisement / Workshop / Sponsorship / AMC**		
	Associates		
	Ramco Industries Limited	0.07	-
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	0.13	0.06
	Total	**0.20**	**0.06**
10	**Receiving of Services – Software Related Services**		
	Associates		
	Ramco Systems Limited	25.29	17.20
	Total	**25.29**	**17.20**
11	**Receiving of Services – Aircraft Charter Services**		
	Associates		
	Madurai Trans Carrier Limited	20.05	18.54
	Total	**20.05**	**18.54**
12	**Usage charges received for Power Consumed by virtue of Joint Ownership of Shares with APGPCL**		
	Associates		
	Rajapalayam Mills Limited	0.01	0.03
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mill Limited	-	0.02
	Sandhya Spinning Mill Limited	-	0.01
	Sri Harini Textiles Limited	0.02	0.03
	The Ramaraju Surgical Cotton Mills Limited	0.02	0.03
	Total	**0.05**	**0.12**
13	**Leasing Arrangements – Rent Received**		
	Subsidiaries		
	Ramco Windfarms Limited	0.09	0.07
	Ramco Industrial and Technology Services Limited	0.01	0.00
	Associates		
	Ramco Systems Limited	9.30	8.51
	Ramco Industries Limited	0.21	0.12
	Rajapalayam Mills Limited	0.00	0.00
	Madurai Trans Carrier Limited	0.01	-
	Lynks Logistics Limited	0.88	0.79
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sandhya Spinning Mill Limited	0.01	0.00

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
	Sri Harini Textiles Limited	0.01	0.00
	Sri Vishnu Shankar Mill 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	0.49	0.48
	PAC Ramasamy Raja Centenary Trust	0.02	0.06
	Shri Abhinava Vidya Theertha Seva Trust	0.01	0.01
	The Ramco Cements Educational and Charitable Trust	0.00	-
	Total	**11.04**	**10.04**
14	**Leasing Arrangements – Rent Paid**		
	Associates		
	Ramco Industries Limited	0.13	0.08
	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**	**0.15**
15	**Dividend received**		
	Associates		
	Ramco Industries Limited	1.34	0.67
	Rajapalayam Mills Limited	0.01	0.01
	Total	**1.35**	**0.68**
16	**Dividend Paid**		
	Key Management Personnel		
	P.R. Venketrama Raja	1.07	0.58
	A.V. Dharmakrishnan	0.02	0.01
	S. Vaithiyanathan	0.00	0.00
	Relative of Key Management Personnel		
	A.V. Dharmakrishnan (HUF)	0.01	0.00
	R. Sudarsanam	0.71	0.39
	R. Nalina Ramalakshmi	1.07	0.58
	S. Sharada Deepa	1.07	0.58
	Associates		
	Ramco Industries Limited	27.24	14.79
	Rajapalayam Mills Limited	18.19	9.87
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mill Limited	1.88	1.17
	The Ramaraju Surgical Cotton Mills Limited	1.99	1.09
	Sudharsanam Investments Limited	1.64	0.89
	Ramco Management Private Limited	0.26	0.14
	Total	**55.15**	**30.09**
17	**Remuneration to Key Management Personnel (Other than Sitting Fees)**		
	P.R.Venketrama Raja	40.91	37.17
	A.V. Dharmakrishnan	14.38	13.31
	S. Vaithiyanathan	1.54	1.34
	K. Selvanayagam	1.14	1.01
	Total	**57.97**	**52.83**

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₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
18	**Directors' Sitting Fees**		
	Key Management Personnel		
	P.R. Venketrama Raja	0.11	0.09
	R.S. Agarwal	0.10	0.08
	M.B.N. Rao	0.09	0.08
	M.M. Venkatachalam	0.11	0.07
	M.F. Farooqui	0.04	0.05
	Smt. Justice Chitra Venkataraman (Retd.)	0.07	0.06
	M.S. Krishnan	0.03	-
	Total	**0.55**	**0.43**
19	**Purchase of Fixed Assets / Receiving of Capital Goods / Services**		
	Associates		
	Ramco Industries Limited	-	0.10
	Related Party as per Section 2(76)(v) of Companies Act, 2013		
	Coromandel Engineering Company Limited	13.66	9.90
	Total	**13.66**	**10.00**
20	**Sale of Fixed Assets**		
	Associates		
	Rajapalayam Mills Limited	0.00	-
	Total	**0.00**	**-**
21	**Interest Received / (Paid)**		
	Key Management Personnel		
	P.R. Venketrama Raja - Interest Rate - 3.70% (PY: 6.70%)	(0.15)	(0.18)
	Subsidiaries		
	Ramco Windfarms Limited – Interest Rate - 10% (PY: 10%)	1.92	2.59
	Ramco Industrial and Technology Services Limited – Interest Rate - 10%	0.37	-
	Associates		
	Madurai Trans Carrier Limited – Interest Rate - 10%	0.14	-
	Total	**2.28**	**2.41**
22	**CSR / Donations given**		
	Other entities over which there is a significant influence		
	PAC Ramasamy Raja Centenary Trust	-	1.44
	PAC Ramasamy Raja Education Charity Trust	0.18	-
	The Ramco Cements Limited Educational and Charitable Trust	0.05	0.05
	Raja Charity Trust	0.12	0.06
	Total	**0.35**	**1.55**
23	**Contribution to Superannuation Fund / Gratuity Fund**		
	Employee Benefit Funds where Control Exists		
	The Ramco Cements Limited Officers' Superannuation Fund	8.89	7.66
	The Ramco Cements Limited Employees' Gratuity Fund	8.37	6.93
	Total	**17.26**	**14.59**
24	**Investment in Equity Shares during the year**		
	Subsidiaries		
	Ramco Industrial and Technology Services Limited	-	4.50
	Associates		
	Lynks Logistics Limited	15.00	11.70
	Total	**15.00**	**16.20**

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
25	**Maximum amount of loans outstanding during the year**		
	Subsidiaries		
	Ramco Windfarms Limited	24.63	32.11
	Ramco Industrial & Technology Services Limited	7.80	-
	Associates		
	Madurai Trans Carrier Limited	9.65	-
	Total	**42.08**	**32.11**
26	**Rendering of Services – supply of manpower on deputation and other services**		
	Associates		
	Madurai Trans Carrier Limited	0.26	-
	Other entities over which there is a significant influence		
	The Ramco Cements Limited Educational and Charitable Trust	0.05	-
	Total	**0.31**	**-**

(b) Transactions during the year not on Arm's length basis

1	**Sale of Goods – Cement**		
	Other entities over which there is a significant influence		
	Raja Charity Trust	0.02	0.03
	PAC Ramasamy Raja Education Charity Trust	0.01	0.11
	PACR Sethuramammal Charities	0.01	-
	PACR Sethuramammal Charity Trust	0.01	0.00
	Ramco Welfare Trust	0.01	-
	PAC Ramasamy Raja Centenary Trust	0.00	-
	Total	**0.06**	**0.14**

(c) Outstanding balances including commitments

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2020	31-03-2019
1	**Trade Receivables**		
	Associates		
	Ramco Industries Limited	-	1.15
	Total	**-**	**1.15**
2	**Loans and Advances**		
	Subsidiaries		
	Ramco Windfarms Limited	24.63	17.95
	Ramco Industrial and Technology Services Limited	7.40	-
	Associates		
	Ramco Industries Limited	0.05	0.05
	Madurai Trans Carrier Limited	18.57	8.92
	Related Party as per Section 2(76)(v) of Companies Act, 2013		
	Coromandel Engineering Company Limited	-	0.60
	Other entities over which there is a significant influence		

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for the year ended 31st March 2020

₹ in Crores

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2020	31-03-2019
	Smt. Lingammal Ramaraju Shastra Prathishta Trust	1.16	0.99
	PACR Sethuramammal Charity Trust	1.35	1.53
	Ramco Welfare Trust	1.11	0.96
	PAC Ramasamy Raja Centenary Trust	0.66	0.33
	Shri Abhinava Vidya Theertha Seva Trust	0.02	-
	Total	**54.95**	**31.33**
3	**Borrowings**		
	Key Management Personnel		
	P.R. Venketrama Raja	1.39	2.07
	Total	**1.39**	**2.07**
4	**Security Deposits received by virtue of Joint Ownership of shares with APGPCL**		
	Associates		
	Rajapalayam Mills Limited	-	0.13
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Harini Textiles Limited	0.12	0.12
	The Ramaraju Surgical Cotton Mills Limited	0.11	0.11
	Total	**0.23**	**0.36**
5	**Security Deposit received towards lease arrangement**		
	Subsidiaries		
	Ramco Windfarms Limited	0.00	-
	Ramco Industrial and Technology Services Limited	0.01	-
	Associates		
	Ramco Industries Limited	0.08	0.08
	Lynks Logistics Limited	0.01	0.01
	Madurai Trans Carrier Limited	0.01	-
	Total	**0.11**	**0.09**
6	**Corporate Guarantees given to lenders of Related parties [Refer Note (b) below]**		
	Subsidiaries		
	Ramco Windfarms Limited	-	2.47
	Other entity over which there is a significant influence		
	Raja Charity Trust	100.00	100.00
	Total	**100.00**	**102.47**
7	**Trade Payables**		
	Related Party as per Section 2(76)(v) of Companies Act, 2013		
	Coromandel Engineering Company Limited	1.04	-
	Total	**1.04**	**-**

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 loan balance with Banks by the related parties, on the strength of the above Corporate Guarantees given by the company are furnished below:

Particulars	***As at 31-03-2020***	***As at 31-03-2019***
Raja Charity Trust	*20.40*	*27.84*
Ramco Windfarms Limited	*-*	*2.47*

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

₹ in Crores

Particulars	31-03-2020	31-03-2019
Short – Term Benefits	57.93	52.71
Defined Contribution Plan	0.59	0.55
Fair value of ESOP given to KMPs	Note (c) below	
Defined Benefit Plan / Other Long-term benefits	Note (d) below	
Total	**58.52**	**53.26**

Notes

(a) Short-Term Benefits comprises of salaries, bonus, sitting fees, and value of perquisites excluding ESOP.

(b) Defined Contribution Plan comprises of contribution to Provident fund and Superannuation fund.

(c) The Company has granted an aggregate of 2,69,000 stock options to KMPs, which is due for vesting on 6th August 2020 and exercisable on or before 31st December 2021. The pro-rated fair value of ESOP given to KMPs for the period upto 31-03-2020 of ₹ 11.31 Crores (PY: Nil) is expensed in the Statement of Profit and Loss.

(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.

54 Disclosure of Fair value measurements

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

Financial Instruments by category

₹ in Crores

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2020					
Financial Assets					
Other Investments	-	0.42	25.19	25.61	25.61
Loans	89.84	-	-	89.84	89.84
Trade Receivables	526.85	-	-	526.85	526.85
Cash and Bank Balances	91.42	-	-	91.42	91.42
Other Financial Assets	121.29	-	-	121.29	121.29
Financial Liabilities					
Borrowings	2,632.40	-	-	2,632.40	2.632.40
Trade Payables	341.44	-	-	341.44	341.44
Other Financial Liabilities	1,068.00	-	-	1,068.00	1,068.00
As at 31-03-2019					
Financial Assets					
Other Investments	-	0.54	26.14	26.68	26.68
Loans	61.72	-	-	61.72	61.72
Trade Receivables	489.97	-	-	489.97	489.97
Cash and Bank Balances	92.76	-	-	92.76	92.76
Other Financial Assets	110.65	-	-	110.65	110.65
Financial Liabilities					
Borrowings	1,414.76	-	-	1,414.76	1,414.76
Trade Payables	257.21	-	-	257.21	257.21
Other Financial Liabilities	929.84	-	-	929.84	929.84

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

Fair value hierarchy

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

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

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

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

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

₹ in Crores

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investments in listed equity securities				
As at 31-03-2020	3.06	-	-	3.06
As at 31-03-2019	4.01	-	-	4.01
Investment in unlisted securities				
As at 31-03-2020	-	-	22.13	22.13
As at 31-03-2019	-	-	22.13	22.13
Financial Instruments at FVTPL				
Investment in mutual funds				
As at 31-03-2020	0.42	-	-	0.42
As at 31-03-2019	0.54	-	-	0.54

Notes

(a) There were no transfers between level 1 and level 2 fair value measurement during the year ended 31-03-2020 and 31-03-2019.

(b) There were no movements in the financial instruments categorized under Level 3 during the year ended 31-03-2020 and 31-03-2019 .

Valuation techniques used to determine the fair value

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

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

Note: There were no significant inter-relationships between unobservable inputs that materially affect fair values.

55. Financial Risk Management

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

The Company has the following financial risks:

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

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

Credit Risk

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

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail segment. 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.

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

₹ in Crores

As at 31-03-2020	Not Due	Less than 90 days	90 to 180 days	More than 180 days	Total
Gross carrying amount	342.08	26.90	15.37	149.10	533.45
Expected Loss Rate	0.01%	0.25%	3.00%	4.05%	1.24%
Expected Credit Losses	0.03	0.07	0.46	6.04	6.60
Carrying amount of trade receivables net of impairment	342.05	26.83	14.91	143.06	526.85

As at 31-03-2019	Not Due	Less than 90 days	90 to 180 days	More than 180 days	Total
Gross carrying amount	354.75	28.00	13.93	100.22	496.90
Expected Loss Rate	0.03%	0.50%	4.50%	6.04%	1.39%
Expected Credit Losses	0.11	0.14	0.63	6.05	6.93
Carrying amount of trade receivables net of impairment	354.64	27.86	13.30	94.17	489.97

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.

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

₹ in Crores

Particulars	31-03-2020	31-03-2019
Expiring within one year		
Bank Overdraft and other facilities	795.00	635.57
Term Loans	400.00	175.00
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

₹ in Crores

Nature of Financial Liability	< 1 Year	1 – 5 Years	>5 years	Total
As at 31-03-2020				
Borrowings from Banks, NCDs, Director	1,128.06	1,597.83	20.00	2,745.89
Soft Loan from Government	-	110.77	42.27	153.04
Deferred Sales Tax Liability	63.69	73.09	8.31	145.09
Trade payables	341.44	-	-	341.44
Security Deposits payable	464.00	-	-	464.00
Other Financial Liabilities	204.25	1.80	6.26	212.31
As at 31-03-2019				
Borrowings from Banks, NCDs, Director	817.77	425.81	-	1,243.58
Soft Loan from Government	-	80.75	69.31	150.06
Deferred Sales Tax Liability	99.75	136.78	8.31	244.84
Trade payables	257.21	-	-	257.21
Security Deposits payable	559.94	-	-	559.94
Other Financial Liabilities	165.96	-	-	165.96

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:

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

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

Currency	Trade Payables	Trade and other Receivables	Balance with Banks
USD in Millions			
As at 31-03-2020	5.48	0.22	-
As at 31-03-2019	11.33	-	-
EURO in Millions			
As at 31-03-2020	2.61	-	-
As at 31-03-2019	3.06	-	-
JPY in Millions			
As at 31-03-2020	19.57	-	-
As at 31-03-2019	-	-	-
LKR in Millions			
As at 31-03-2020	95.36	233.84	25.28
As at 31-03-2019	64.42	270.72	58.09

Risk sensitivity on foreign currency fluctuation

₹ in Crores

Foreign Currency	31-03-2020		31-03-2019	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	(-) 0.40	0.40	(-) 0.78	0.78
EURO	(-) 0.22	0.22	(-) 0.24	0.24
JPY	(-) 1.36	1.36	-	-
LKR	0.41	(-) 0.41	0.67	(-) 0.67

Cash flow and fair value interest rate risk

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

Interest rate risk exposure

₹ in Crores

Particulars	31-03-2020	31-03-2019
Variable rate borrowings	1,552.22	545.00
Fixed rate borrowings	1,326.78	828.86
Interest free borrowings	145.09	244.84

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation

₹ in Crores

Total Interest Cost in Profit and Loss works out to	31-03-2020	31-03-2019
1% Increase in Interest Rate	86.86	53.37
1% Decrease in Interest Rate	55.82	48.37

56 Events after the reporting period – Distribution made and proposed

₹ in Crores

Particulars	31-03-2020	31-03-2019
Cash Dividends on Equity Shares declared and paid		
Final dividend for the year ended 31st March 2019: ₹ 3/- per share (PY: ₹ 3/- per share)	70.74	70.74
Dividend Distribution Tax on Proposed Dividend	14.54	14.54
Interim dividend for the year ended 31st March 2020: ₹ 2.50 per share (PY: Nil)	58.95	-
Dividend Distribution Tax on Interim Dividend	12.12	-
Proposed Dividends on Equity Shares		
Final dividend for the year ended 31st March 2020: Nil (PY: ₹ 3/- share)	-	70.74
Dividend Distribution Tax on Proposed Dividend	-	14.54

57 Impact of COVID-19

In view of the lock-down declared across the country by the Central / State Governments due to COVID-19 pandemic during second half of March 2020, the company's operations at all locations were adversely impacted. The operations have since resumed in a phased manner during April / May 2020 in accordance with the guidelines issued by the relevant regulatory authorities with regard to adhering of social distancing and following prescribed hygiene standards. The Company continues to comply with such guidelines from time to time.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31st March 2020

The Company has sufficient liquidity / financing arrangements for the continuity of business operations. The company is confident of its ability to service the debt / financing arrangements. The lock-down due to COVID-19 is continuing with certain relaxations in FY 2020-21 and the company is continuing its operations with lower demand. The Company expects the demand for cement to get back to its normal levels, based on further relaxations that would be announced by the Central and State Governments, in the course of time. The Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long-term basis. The Company's ongoing capacity expansion program is expected to get delayed by few months because of exit of labourers from the project sites due to COVID-19. However, the Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

The Company has exercised due care in determining its significant accounting judgements and estimates while preparing its financial statements including internal controls over financial reporting. As per the current assessment of the company, there is no material impact on the carrying values of trade receivables, inventories and other financial / non-financial assets as at the reporting date. The Company continues to closely monitor the developments in economic conditions and assess its impact. However, the final impact may differ from the current estimates made as at the date of approval of the financial statements for the year ended 31-03-2020 considering the prevailing uncertainties.

58 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.

₹ in Crores

Particulars		31-03-2020	31-03-2019
Long Term Borrowings		1,832.34	701.18
Current maturities of Long term borrowings		391.69	203.94
Short Term Borrowings		800.06	713.58
Less: Cash and Cash Equivalents		61.20	57.56
Net Debt	**(A)**	**2,962.89**	**1,561.14**
Equity Share Capital		23.56	23.56
Other Equity		4,895.00	4,436.55
Total Equity	**(B)**	**4,918.56**	**4,460.11**
Total Capital Employed	**(C) = (A) + (B)**	**7,881.45**	**6,021.25**
Capital Gearing Ratio	**(A) / (C)**	**38%**	**26%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The company 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 31-03-2020 and 31-03-2019.

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

P.R. VENKETRAMA RAJA
Chairman and Managing Director

A.V. DHARMAKRISHNAN
Chief Executive Officer

S. VAITHIYANATHAN
Chief Financial Officer

K.SELVANAYAGAM
Secretary

Chennai
19-06-2020

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"), its subsidiaries (collectively referred to as "the Company" or "the Group") and its associates, comprising of the consolidated balance sheet as at 31st March 2020, the consolidated statement of profit and loss, the consolidated statement of cash flows 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, 2020, 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.

Emphasis of Matter

We draw attention to Note 57 to the consolidated financial results, which describes the uncertainties and the impact of the COVID 19 pandemic on the group's operations and results as assessed by the management on financial results. The Management has assessed that there is no material impact on the financial statements due to lockdown and related restrictions imposed towards controlling the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

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 Matter	Auditor's Response
1	**Adoption of Ind AS 116 Leases** The Company has adopted Ind AS 116 with effect from 1st April 2019 using Modified Retrospective Approach. The application and transition to this new accounting standard is complex and involves significant judgment and estimates made by the management which includes measuring of liability for all leases. The company has adopted the Modified Retrospective Approach method for transition to Ind AS 116, consequently comparative figures for the previous years have not been restated and continue to report under Ind AS 17. **(Refer to Note No. 4.6 and 49 to the Consolidated Financial Statements)**	**Principal Audit Procedures** Our Audit procedures involved review of the company's Ind AS 116 implementation process, and key judgments made by management evaluation of lease agreements/arrangements on sample basis and comparison of the same with management's evaluation and assessment. We also evaluated the computation of lease liabilities and the discount rates adopted. Our tests on sample basis focused on reviewing the key terms and conditions of the lease agreements and obtaining evidence for the estimated useful live of right of use assets. Furthermore we assessed the adequacy and appropriateness of the disclosures to Consolidated financial statements.

S. No.	Key Audit Matter	Auditor's Response
2	**Recognition and measurement of deferred taxes** The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results. We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts. **(Refer to Note No. 4.4.3, 4.4.5 and 4.4.6 to the Consolidated Financial Statements)**	**Principal Audit Procedures** The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards. Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.
3	**Evaluation of uncertain Tax Position/ Other contingent liabilities** The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums. **(Refer to Note No. 46.2.1 to 46.2.22 to the Separate Financial Statements)**	**Principal Audit Procedures** 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. 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. We also reviewed the relevant judgements and the opinions given by the company's advisers, which were relied on by the management for such claims. Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate financial statements.
4	**Disputes and potential litigations** The Competition Commission of India (CCI) vide its order dated 31st August 2016 had imposed a penalty of ₹ 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 ₹ 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. **(Refer to Note No. 46.2.6 to the Separate Financial Statements)**	**Principal Audit Procedures** 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.

S. No.	Key Audit Matter	Auditor's Response
5	**Existence and impairment of Trade Receivables** 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, the requirements of customers and various contract terms are in place, there is a risk that the carrying values may not reflect the 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, in estimating impairment assessment of trade receivables, we have identified this as a key audit matter. **(Refer to Note No. 17 to the Consolidated Financial Statements)**	**Principal Audit Procedures** 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. 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. Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.

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 and 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 of 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 ₹ 15.61 Crores, total revenue of ₹ 95.02 Crores and net cash inflow amounting to ₹ 1.28 Crores for the year ended on 31st March 2020, 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.

(b) The Consolidated financial statements include financial statements of two subsidiaries which reflect the total assets of ₹ 66.53 Crores as at 31st March 2020, the total revenue of ₹ 55.31 Crores and net cash inflow of ₹ 0.66 Crores for the year ended 31st March 2020, which were audited by another independent auditors whose report has been furnished to us.

(c) We did not audit the financial statements of five 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 ₹ 0.68 Crores for the year ended 31st March, 2020. 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.

(d) Our attendance at the physical inventory verification done by the management was impracticable under the current lockdown restrictions imposed by the government. Consequently, we have performed alternative procedures to audit on the existence and condition of inventory at year end as per the guidance provided in SA-501 "Audit Evidence – Specific considerations for selected items" and have obtained sufficient audit evidence to issue our un-modified opinion on these consolidated financial results.

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 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 2020 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 2020 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," 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group 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 2020.

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

P. SANTHANAM
Partner
Membership No.: 018697
UDIN: 20018697AAAAAJ3136

Place: Chennai
Date: 19th June, 2020

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

M. VIJAYAN
Partner
Membership No.: 026972
UDIN: 20026972AAAADG6107

"ANNEXURE" 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 2020, 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 2020, 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: 20018697AAAAAJ3136

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

M. VIJAYAN
Partner
Membership No.: 026972
UDIN: 20026972AAAADG6107

Place: Chennai
Date: 19th June, 2020

CONSOLIDATED BALANCE SHEET

as at 31st March 2020

₹ in Crores

Particulars	Note No.	31-03-2020	31-03-2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6	5,846.38	5,183.37
Capital Work in Progress	7	1,814.27	830.77
Investment Property	8	146.98	161.92
Intangible Assets	9	56.04	54.67
Intangible Assets under Development	10	26.10	21.82
Investments in Associates	11	249.89	231.99
Financial Assets			
Other Investments	12	25.61	26.68
Loans	13	28.07	16.45
Other Financial Assets	14	18.86	17.32
Deferred Tax Assets (net)	29	0.40	0.42
Other Non-Current Assets	15	344.45	277.87
		8,557.05	**6,823.28**
Current Assets			
Inventories	16	646.88	561.08
Financial Assets			
Trade Receivables	17	527.63	490.07
Cash and Cash Equivalents	18	63.93	59.63
Bank Balances other than Cash and Cash Equivalents	19	30.22	35.20
Loans	20	29.82	27.41
Other Financial Assets	21	104.12	93.69
Current Tax Assets	22	2.80	5.96
Other Current Assets	23	170.31	107.47
		1,575.71	**1,380.51**
Total Assets		**10,132.76**	**8,203.79**
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	24	23.56	23.56
Other Equity	25	4,977.79	4,513.44
Equity attributable to the Equity shareholders		**5,001.35**	**4,537.00**
Non-controlling Interests	25a	5.64	4.70
		5,006.99	**4,541.70**
Non Current Liabilities			
Financial Liabilities			
Borrowings	26	1,832.34	701.18
Other Financial Liabilities	27	8.06	-
Provisions	28	24.03	15.69
Deferred Tax Liabilities (net)	29	912.19	864.60
Deferred Government Grants	30	12.83	13.07
		2,789.45	**1,594.54**
Current Liabilities			
Financial Liabilities			
Borrowings	31	800.06	729.33
Trade Payables	32		
- Total outstanding dues of micro enterprises and small enterprises		14.15	8.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises		328.83	250.01
Other Financial Liabilities	33	1,060.00	932.39
Other Current Liabilities	34	102.63	120.73
Provisions	35	29.27	25.46
Deferred Government Grants	36	1.38	1.28
		2,336.32	**2,067.55**
Total Equity and Liabilities		**10,132.76**	**8,203.79**
Significant Accounting Policies, Judgments and Estimates	*1 - 5*		
See accompanying notes to the financial statements	*6 - 58*		

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

P.R. VENKETRAMA RAJA
Chairman and Managing Director

A.V. DHARMAKRISHNAN
Chief Executive Officer

S. VAITHIYANATHAN
Chief Financial Officer

K.SELVANAYAGAM
Secretary

Chennai
19-06-2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

₹ in Crores

Particulars	Note No.	31-03-2020	31-03-2019
REVENUE			
Revenue from operations	37	5,389.30	5,162.34
Other Income	38	33.50	24.96
Total Revenue		**5,422.80**	**5,187.30**
EXPENSES			
Cost of Materials Consumed	39	921.15	828.59
Changes in Inventories of Finished Goods and Work-in-progress	40	(47.39)	18.30
Employee Benefits Expense	41	380.60	337.94
Finance Costs	42	72.14	51.42
Depreciation and Amortization Expense	43	316.54	299.96
Transportation and Handling Expenses		1,137.71	1,187.77
Power and Fuel		1,050.87	1,057.32
Other Expenses	44	808.64	698.09
		4,640.26	**4,479.39**
Less: Captive Consumption of finished goods		9.70	10.16
Total Expenses		**4,630.56**	**4,469.23**
Profit Before Tax		**792.24**	**718.07**
Tax Expenses	29		
Current Tax		139.83	190.21
Current Tax adjustments of earlier years		0.30	(4.85)
Net Current tax expenses		**140.13**	**185.36**
Deferred Tax		75.95	11.89
MAT Credit Recognition		(37.55)	(0.77)
Deferred tax adjustments of earlier years		9.32	14.13
Net Deferred tax expenses		**47.72**	**25.25**
Total Tax Expenses		**187.85**	**210.61**
Profit for the year before share of profit of Associates		**604.39**	**507.46**
Add: Share of Profit of Associates		0.68	3.97
PROFIT FOR THE YEAR	(A)	**605.07**	**511.43**
Profit for the year attributable to:			
Equity shareholders of the parent		604.14	510.72
Non-controlling Interest		0.93	0.71
		605.07	**511.43**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurement losses on defined benefit obligations (net)	41	(10.66)	(4.52)
Tax credit on above	29	3.68	1.55
Fair value gain on Equity Instruments through OCI	12	(0.95)	0.17
Share of OCI of Associates (net of tax)		2.98	1.72
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	(B)	**(4.95)**	**(1.08)**
Other Comprehensive Income for the year attributable to:			
Equity shareholders of the parent		(4.96)	(1.08)
Non-controlling Interest		0.01	-
TOTAL OTHER COMPREHENSIVE INCOME		**(4.95)**	**(1.08)**
TOTAL COMPREHENSIVE INCOME	(A) + (B)	**600.12**	**510.35**
Total Comprehensive Income for the year attributable to:			
Equity shareholders of the parent		599.18	509.64
Non-controlling Interest		0.94	0.71
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**600.12**	**510.35**
Earnings per equity share of face value of ₹ 1 each	52		
Basic EPS in ₹		26	22
Diluted EPS in ₹		26	22
Significant Accounting Policies, Judgments and Estimates	*1 - 5*		
See accompanying notes to the financial statements	*6 - 58*		

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
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P.R. VENKETRAMA RAJA
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Chief Executive Officer

S. VAITHIYANATHAN
Chief Financial Officer

K.SELVANAYAGAM
Secretary

Chennai
19-06-2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

A. Equity Share Capital [Refer Note 24]

₹ in Crores

Balance as at 01-04-2018	**23.56**
Changes in Equity Share Capital during the year 2018-19	-
Balance as at 31-03-2019	**23.56**
Changes in Equity Share Capital during the year 2019-20	-
Balance as at 31-03-2020	**23.56**

B. Other Equity [Refer Note 25]

₹ in Crores

Particulars	Reserves and Surplus					Items of OCI			Total	Non-Controlling Interests	Total Other Equity
	Capital Redemption Reserve	Employee Stock Options Reserve	Capital Reserve	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Remeasurments of Defined Benefit Obligations	Share of OCI of Associates			
Other Equity as at 01-04-2018	**1.63**	**-**	**52.99**	**3,812.89**	**216.60**	**4.29**	**-**	**0.68**	**4,089.08**	**3.99**	**4,093.07**
Add: Profit for the year	-	-	-	-	510.72	-	-	-	510.72	0.71	511.43
Add: Other Comprehensive Income for the year	-	-	-	-	-	0.17	(2.97)	1.72	(1.08)	-	(1.08)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**510.72**	**0.17**	**(2.97)**	**1.72**	**509.64**	**0.71**	**510.35**
Less: Transfer to Retained Earnings	-	-	-	-	-	0.40	(2.97)	-	(2.57)	-	(2.57)
Less: Transfer to General Reserve	-	-	-	-	418.16	-	-	-	418.16	-	418.16
Add: Transfer from Retained Earnings	-	-	-	418.16	-	-	-	-	418.16	-	418.16
Add: Transfer from OCI	-	-	-	-	(2.57)	-	-	-	(2.57)	-	(2.57)
Less: Dividend and Dividend Distribution Tax	-	-	-	-	85.28	-	-	-	85.28	-	85.28
Other Equity as at 31-03-2019	**1.63**	**-**	**52.99**	**4,231.05**	**221.31**	**4.06**	**-**	**2.40**	**4,513.44**	**4.70**	**4,518.14**
Add: Profit for the year	-	-	-	-	604.14	-	-	-	604.14	0.93	605.07
Add: Other Comprehensive Income for the year	-	-	-	-	-	(0.95)	(6.98)	2.97	(4.96)	0.01	(4.95)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**604.14**	**(0.95)**	**(6.98)**	**2.97**	**599.18**	**0.94**	**600.12**
Add: Reserve created for ESOP granted during the year	-	21.52	-	-	-	-	-	-	21.52	-	21.52
Less: Transfer to Retained Earnings	-	-	-	-	-	-	(6.98)	-	(6.98)	-	(6.98)
Less: Transfer to General Reserve	-	-	-	-	437.88	-	-	-	437.88	-	437.88
Add: Transfer from Retained Earnings	-	-	-	437.88	-	-	-	-	437.88	-	437.88
Add: Transfer from OCI	-	-	-	-	(6.98)	-	-	-	(6.98)	-	(6.98)
Less: Dividend and Dividend Distribution Tax	-	-	-	-	156.35	-	-	-	156.35	-	156.35
Other Equity as at 31-03-2020	**1.63**	**21.52**	**52.99**	**4,668.93**	**224.24**	**3.11**	**-**	**5.37**	**4,977.79**	**5.64**	**4,983.43**

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

P. SANTHANAM
Partner
Membership No. 018697

Chennai
19-06-2020

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

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Chief Executive Officer

S. VAITHIYANATHAN
Chief Financial Officer

K.SELVANAYAGAM
Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

₹ in Crores

Particulars		31-03-2020	31-03-2019
Cash Flow from Operating Activities			
Profit Before Tax		792.24	718.07
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation & Amortization		316.54	299.96
Profit on sale of Property, Plant & Equipment and Investment Property (net)		(0.17)	(1.48)
Impairment allowance for trade receivables		0.14	-
Interest Income		(11.85)	(7.96)
Dividend Income		(0.08)	(0.10)
Grant Income		(2.26)	(2.30)
Employee Stock Options expense		21.52	-
Cash flow arising out of Actuarial loss on defined benefit obligations		(10.66)	(4.52)
Fair value loss on Mutual funds		0.17	0.02
Lease Rental Receipts		(10.32)	(8.82)
Finance costs		72.14	51.42
Provisions / Other non-cash adjustments		13.05	5.49
Operating Profit before Working Capital changes		**1,180.46**	**1,049.78**
Movements in Working capital:			
Inventories		(85.80)	0.17
Trade receivables and other assets		(112.14)	(114.84)
Trade payables and other liabilities		(95.47)	17.20
Cash generated from Operations		**887.05**	**952.31**
Direct Taxes paid		(138.95)	(159.68)
Net Cash generated from Operating Activities	A	**748.10**	**792.63**
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment and Investment Properties (Including CWIP, Capital Advances and payable for capital goods)		(1,920.10)	(1,206.99)
Proceeds from Sale of Property,Plant & Equipment and Investment Properties		0.64	4.54
Interest received		11.55	4.24
Dividend received		1.39	0.73
Loans given to Associates		(9.65)	-
Investment in Equity Shares of Associates		(15.00)	(14.34)
Lease Rental Receipts		10.32	8.82
Proceeds from Sale of equity investments		-	0.90
Net Cash used in Investing Activities	B	**(1,920.85)**	**(1,202.10)**
Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings		1,522.98	489.95
Repayment of Long Term Borrowings		(206.39)	(119.16)
Proceeds from Short Term Borrowings (net)		92.24	415.50
Payment of principal portion of lease liabilities		(0.04)	-
Payment of Dividend and Dividend Distribution Tax		(156.35)	(85.28)
Interest paid (including interest on lease liabilities)		(58.86)	(48.14)
Net Cash generated from Financing Activities	C	**1,193.58**	**652.87**
Net Increase in Cash and Cash equivalents	D = (A+B+C)	**20.83**	**243.40**
Opening balance of Cash and Cash equivalents	E	**73.32**	**(170.08)**
Closing balance of Cash and Cash equivalents	D + E	**94.15**	**73.32**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2020 (Contd.)

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:

₹ in Crores

Particulars	31-03-2020	31-03-2019
Cash and cash equivalents [Refer Note 18]	63.93	59.63
Bank Balances other than cash and cash equivalents [Refer Note 19]	30.22	35.20
Sub-total	**94.15**	**94.83**
Less: Cash Credit [Refer Note 31]	-	21.51
Cash and Bank Balances, net of Cash Credit for Statement of Cash Flows	**94.15**	**73.32**
(iii) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:		
Balance at the beginning of the year		
Long Term Borrowings	701.18	418.77
Short Term Borrowings (excluding cash credit)	707.82	292.32
Current maturities of Long Term Debt	206.41	119.16
Interest accrued	1.44	1.04
Sub-total Balance at the beginning of the year	**1,616.85**	**831.29**
Cash flows during the year		
Proceeds from Long Term Borrowings	1,522.98	489.95
Repayment of Long Term Borrowings	(206.39)	(119.16)
Proceeds from Short Term Borrowings (net)	92.24	415.50
Payment of principal portion of lease liabilities	(0.04)	-
Interest paid (including interest on lease liabilities)	(58.86)	(48.14)
Sub-total Cash flows during the year	**1,349.93**	**738.15**
Non-cash changes		
Interest accrual for the year	72.14	51.43
Unwinding of discounts on provisions	(1.97)	(1.22)
Initial recognition of lease liability for Right-of-use asset	8.10	-
Interest accrued on lease liabilities net of its lease payments recognised as cost of asset	0.09	-
Recognition of difference between fair value of Soft Loan from Government and transaction value as Deferred Government Grant	(2.12)	(2.80)
Sub-total Non-cash changes during the year	**76.24**	**47.41**
Balance at the end of the year		
Long Term Borrowings	1,832.34	701.18
Short Term Borrowings (excluding cash credit)	800.06	707.82
Lease Liabilities	8.16	-
Current maturities of Long Term Debt	391.69	206.41
Interest accrued	10.77	1.44
Balance at the end of the year	**3,043.02**	**1,616.85**
See accompanying notes to the financial statements 6 - 58		

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

P. SANTHANAM
Partner
Membership No. 018697

Chennai
19-06-2020

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

M. VIJAYAN
Partner
Membership No. 026972

P.R. VENKETRAMA RAJA
Chairman and Managing Director

A.V. DHARMAKRISHNAN
Chief Executive Officer

S. VAITHIYANATHAN
Chief Financial Officer

K.SELVANAYAGAM
Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

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 its branch operations. 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 19-06-2020.

2. Basis of Preparation of Consolidated Financial Statements

2.1 The CFS 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.

2.2 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.

2.3 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	
	31-03-2020	31-03-2019
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	
		31-03-2020	31-03-2019
Ramco Industries Limited	Listed	15.53%	15.53%
Ramco Systems Limited	Listed	19.56%	19.57%
Rajapalayam Mills Limited	Listed	0.35%	0.35%
Madurai Trans Carrier Limited	Unlisted	29.86%	29.86%
Lynks Logistics Limited	Unlisted	46.43%	49.53%

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.) 31-03-2020.

2.4 The significant accounting policies used in preparing the financial statements are set out in Note 4.

2.5 The Group has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.

2.6 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period, or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.

2.7 A liability is classified as current when it is expected to be settled in normal operating cycle, or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

2.8 The 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 ₹ 0.00 Crores.

2.9 Previous year figures have been regrouped / restated, wherever necessary and appropriate.

Principles of Consolidation

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.

2.16 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.

2.17 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 of an associates' in the Statement of Profit & Loss.

2.18 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.

3. Basis of Measurement

The CFS have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.19 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

4 Significant Accounting Policies

4.1 Inventories

4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

4.1.2 Process stock is valued at 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 taxes is recognised directly in Equity.

4.4 Income Taxes

4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

4.4.2 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.

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

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

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 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 balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

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

4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, 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 Group has adopted Ind AS 116 with effect from 01-04-2019 using the Modified Retrospective Approach and accordingly the comparative figures for the previous year has not been restated and continue to be reported under Ind AS 17.

4.6.2 Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model. The Group, as a lessee, upon transition to Ind AS 116, elected to measure the lease liability for all leases whose non-cancellable leases is more than 12 months, at the present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and recognise the right-of-use asset at an amount equal to the lease liability, adjusted for prepaid lease payments recognised in the balance sheet immediately before the date of initial application.

4.6.3 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

4.6.4 The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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.

4.6.5 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.

4.6.6 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.

4.6.7 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, Group's incremental borrowing rate.

4.6.8 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 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

4.6.9 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.

4.6.10 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.

4.6.11 The Group presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities in 'Other Financial Liabilities' in the Balance sheet.

4.6.12 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

4.6.13 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 are recognised at the rate fixed by respective State Electricity

Regulatory Commissions, 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, KPTCL & BESCOM 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.

Income from merchant power, arising out of sale of surplus electricity generated from its thermal power plants after meeting its captive requirements, is recognised upon transmission of energy to the grids of the State Electricity Board after netting off expenses attributable to it.

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.

4.8.4 The Group contributes for Superannuation Fund, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to the superannuation fund trust administered by the Group. The funds are managed by LIC of India / 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 Actuarial 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 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.

4.9 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 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.

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, 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 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 amortised over their estimated useful life 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 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 Business Combination of entities under Common Control

4.17.1 Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method.

4.17.2 The pooling of interest method involves the following procedures:

(a) The assets and liabilities of the transferor entity are reflected at their carrying amounts.

(b) No adjustments are made to reflect their fair values, or recognise new assets or liabilities. The adjustments are made only to harmonise the accounting policies in line with policy of the Group.

(c) The financial information in the CFS in respect of previous year is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of business combination.

4.17.3 The balance of the retained earnings in the financial statements of transferor is aggregated with the corresponding balance appearing in the CFS of the transferee, to the extent of the Group's share. The identity of the reserves is preserved and made reflected in the CFS of the transferee in the same form in which they appeared in the financial statements of the transferor.

4.18 Operating Segments

The Group's business operation comprises of single operating segment viz., cement and cementious materials. 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.

4.19 Financial Instruments

4.19.1 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.

4.19.2 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.

4.19.3 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

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

4.19.5 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.

4.19.6 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.

4.19.7 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.

4.19.8 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.

4.19.9 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

4.19.10 Financial liabilities comprise of Borrowings from Banks, Soft loan / Interest free loan from Government, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.19.11 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 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.

4.19.12 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.

4.19.13 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.

4.19.14 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.

4.20 Fair value measurement

4.20.1 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.

4.20.2 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 best economic interest.

4.20.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement 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.

4.20.4 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.

4.20.5 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.

4.20.6 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 subsidiaries/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

Investment Properties

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

5. Significant Estimates and Judgements

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information from market sources on the expected future performance of the Group. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties.

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 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 (Including MAT Credit Entitlement)

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

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.

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.

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 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. Significant management is exercised whether such associate companies are individually immaterial or not for the purpose of disclosure requirements.

6 Property, Plant and Equipment (PPE)

₹ in Crores

Particulars	Year	Gross Block: As at the beginning of the year	Gross Block: Additions	Gross Block: Deductions / Adjustments	Gross Block: As at the end of the year	Depreciation: As at the beginning of the year	Depreciation: For the year (Note 43)	Depreciation: Deductions / Adjustments	Depreciation: As at the end of the year	Net Block: As at the end of the year
Own assets										
Land - Owned	2019-20	809.79	67.26	0.07	876.98	-	-	-	-	876.98
	2018-19	698.87	110.99	0.07	809.79	-	-	-	-	809.79
Land - Right-of-Use Asset	2019-20	-	14.95	-	14.95	-	0.47	-	0.47	14.48
	2018-19	-	-	-	-	-	-	-	-	-
Buildings	2019-20	920.75	86.28	0.88	1,006.15	277.07	38.91	0.88	315.10	691.05
	2018-19	874.39	49.23	2.87	920.75	242.96	36.98	2.87	277.07	643.68
Plant & Equipments	2019-20	6,305.01	737.66	28.79	7,013.88	2,728.76	218.26	28.73	2,918.29	4,095.59
	2018-19	6,181.00	132.09	8.08	6,305.01	2,536.14	200.67	8.05	2,728.76	3,576.25
Railway Siding	2019-20	116.03	3.46	-	119.49	50.95	6.64	-	57.59	61.90
	2018-19	116.00	0.03	-	116.03	44.54	6.41	-	50.95	65.08
Workshop, Quarry Equipments	2019-20	53.07	11.78	4.80	60.05	39.32	2.84	4.54	37.62	22.43
	2018-19	48.66	5.21	0.80	53.07	37.45	2.56	0.69	39.32	13.75
Research & Development Equipments	2019-20	59.09	4.27	2.26	61.10	45.44	2.64	2.26	45.82	15.28
	2018-19	57.54	1.55	-	59.09	43.86	1.58	-	45.44	13.65
Furniture & Fixtures	2019-20	56.36	10.01	1.72	64.65	27.94	4.98	1.71	31.21	33.44
	2018-19	50.55	6.33	0.52	56.36	24.10	4.36	0.52	27.94	28.42
Office Equipments	2019-20	62.22	6.51	4.34	64.39	44.39	5.62	4.33	45.68	18.71
	2018-19	55.05	8.26	1.09	62.22	40.03	5.42	1.06	44.39	17.83
Vehicles	2019-20	30.29	4.92	1.14	34.07	15.37	3.24	1.06	17.55	16.52
	2018-19	28.41	3.38	1.50	30.29	13.73	2.83	1.19	15.37	14.92
Total	**2019-20**	**8,412.61**	**947.10**	**44.00**	**9,315.71**	**3,229.24**	**283.60**	**43.51**	**3,469.33**	**5,846.38**
	2018-19	**8,110.47**	**317.07**	**14.93**	**8,412.61**	**2,982.81**	**260.81**	**14.38**	**3,229.24**	**5,183.37**

Notes

(a) The Group has capitalised finance cost amounting to ₹ 16.61 Crores (PY: Nil) during the year. The Capitalisation 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, ie. 8.14% p.a. (PY: 8.08% 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 26].

(c) Additions under Free hold Land & Building include reclassification from Investment Property Land & Buildings of ₹ 5.83 Crores and ₹ 7.19 Crores respectively in view of change in usage.

(d) Additions relating to Land - Right-of-use asset comprises additions to Right-of-use assets upon transition to Ind AS 116 based on modified retrospective approach, for the operating leases that exist as at 31-03-2019 and also the new lease arrangement entered with the counterparty post 01-04-2019 [Refer Note 49].

(e) Deductions / Adjustments in Gross Block comprises of:

Particulars	*2019 -20: Sale of Assets*	*2019 -20: Other adjustments*	*2019 -20: Total*	*2018 - 19: Sale of Assets*	*2018 - 19: Other adjustments*	*2018 - 19: Total*
Land	*0.07*	*-*	*0.07*	*0.07*	*-*	*0.07*
Building	*-*	*0.88*	*0.88*	*-*	*2.87*	*2.87*
Plant and Equipments	*0.60*	*28.19*	*28.79*	*0.15*	*7.93*	*8.08*
Workshop and Quarry Equipments	*3.58*	*1.22*	*4.80*	*0.80*	*-*	*0.80*
Research and Development Equipments	*-*	*2.26*	*2.26*	*-*	*-*	*-*
Furnitures and Fixtures	*0.12*	*1.60*	*1.72*	*0.08*	*0.44*	*0.52*
Office Equipments	*0.17*	*4.17*	*4.34*	*0.53*	*0.56*	*1.09*
Vehicles	*1.11*	*0.03*	*1.14*	*1.50*	*-*	*1.50*
Total	***5.65***	***38.35***	***44.00***	***3.13***	***11.80***	***14.93***

(f) Other adjustments represent assets that were damaged / discarded and derecognised from financial statements since no future benefit is expected from its use or disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

7 Capital Work in Progress

₹ in Crores

Particulars	Year	As at the beginning of the year	Additions	Capitalised under PPE	As at the end of the year
Buildings	2019-20	70.18	227.42	79.09	218.51
	2018-19	19.96	99.45	49.23	70.18
Plant & Equipments	2019-20	673.05	1,440.72	737.66	1,376.11
	2018-19	106.31	698.83	132.09	673.05
Railway Siding	2019-20	87.54	135.57	3.46	219.65
	2018-19	23.76	63.81	0.03	87.54
Total	**2019-20**	**830.77**	**1,803.71**	**820.21**	**1,814.27**
	2018-19	**150.03**	**862.09**	**181.35**	**830.77**

Note: Capital work in progress includes borrowing cost of ₹ 66.36 Crores (PY: ₹ 29.17 Crores), computed at a weighted average interest rate of 8.14% p.a. (PY: 8.08% p.a.) applicable to entity's borrowings outstanding during the year.

8 Investment Property

₹ 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 43)	Deductions / Adjustments	As at the end of the year	As at the end of the year
Land	2019-20	94.72	-	5.83	88.89	-	-	-	-	88.89
	2018-19	85.56	11.66	2.50	94.72	-	-	-	-	94.72
Buildings	2019-20	75.52	0.12	7.19	68.45	8.32	2.05	0.01	10.36	58.09
	2018-19	66.11	14.39	4.98	75.52	7.87	5.43	4.98	8.32	67.20
Total	**2019-20**	**170.24**	**0.12**	**13.02**	**157.34**	**8.32**	**2.05**	**0.01**	**10.36**	**146.98**
	2018-19	**151.67**	**26.05**	**7.48**	**170.24**	**7.87**	**5.43**	**4.98**	**8.32**	**161.92**

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:

Particulars	***2019 -20***				***2018 - 19***			
	Sale of Assets	***Reclassifed under PPE***	***Other adjustments***	***Total***	***Sale of Assets***	***Reclassifed under PPE***	***Other adjustments***	***Total***
Land	*-*	*5.83*	*-*	*5.83*	*2.50*	*-*	*-*	*2.50*
Building	*-*	*7.19*	*-*	*7.19*	*-*	*-*	*4.98*	*4.98*
Total	***-***	***13.02***	***-***	***13.02***	***2.50***	***-***	***4.98***	***7.48***

(c) Other deductions 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 are included in Level 2.

Particulars	***31-03-2020***	***31-03-2019***
Fair value of Investment Properties	***240.34***	***234.52***

(f) Information regarding Income & Expenditure of Investment Property are given below:

Rental Income derived from Investment Properties	*1.00*	*0.48*
Less: Direct Operating Expenses (including Repairs & Maintenance) generating Rental Income	*0.03*	*0.01*
Profit from investment properties before depreciation	***0.97***	***0.47***
Less: Depreciation	*2.05*	*5.43*
Profit/(Loss) from investment properties	***(1.08)***	***(4.96)***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2020

9 Intangible Assets

₹ in Crores

Particulars	Year	Gross Block: As at the beginning of the year	Gross Block: Additions	Gross Block: Deductions / Adjustments	Gross Block: As at the end of the year	Amortisation: As at the beginning of the year	Amortisation: For the year (Note 43)	Amortisation: Deductions / Adjustments	Amortisation: As at the end of the year	Net Block: As at the end of the year
Mining rights	2019-20	36.28	-	-	36.28	15.34	2.69	-	18.03	18.25
	2018-19	25.57	10.71	-	36.28	13.66	1.68	-	15.34	20.94
Mine Development	2019-20	108.45	21.59	10.23	119.81	91.28	18.81	10.23	99.86	19.95
	2018-19	87.79	20.66	-	108.45	68.57	22.71	-	91.28	17.17
Computer Software	2019-20	47.86	11.80	35.39	24.27	31.65	10.35	35.39	6.61	17.66
	2018-19	74.65	5.49	32.28	47.86	54.95	8.98	32.28	31.65	16.21
Power Transmission system	2019-20	0.87	-	-	0.87	0.52	0.17	-	0.69	0.18
	2018-19	7.39	-	6.52	0.87	6.46	0.58	6.52	0.52	0.35
Total	**2019-20**	**193.46**	**33.39**	**45.62**	**181.23**	**138.79**	**32.02**	**45.62**	**125.19**	**56.04**
	2018-19	**195.40**	**36.86**	**38.80**	**193.46**	**143.64**	**33.95**	**38.80**	**138.79**	**54.67**

Note: Deductions / adjustments represent intangible assets de-recognised from the financial statements since no future economic benefit is expected.

10 Intangible Assets under Development

₹ in Crores

Particulars	Year	As at the beginning of the year	Additions	Capitalised	As at the end of the year
Mine Development	2019-20	21.82	25.87	21.59	26.10
	2018-19	24.89	17.59	20.66	21.82

11 Investments in Associates (accounted using Equity Method)

₹ in Crores

Particulars		Face Value ₹ per Share	As at 31-03-2020		As at 31-03-2019	
			Numbers	Amount	Numbers	Amount
Quoted Investments - Fully paid up Equity Shares						
Ramco Systems Limited		10	59,85,632	131.27	59,85,632	125.93
Ramco Industries Limited		1	1,34,62,500	102.32	1,34,62,500	94.08
Rajapalayam Mills Limited		10	25,600	1.41	25,600	1.38
Total Quoted Investments	**(A)**			**235.00**		221.39
Unquoted Investments - Fully paid up Equity Shares						
Madurai Transcarrier Limited		1	5,37,50,000	3.61	5,37,50,000	3.69
Lynks Logistics Limited		1	40,19,00,000	11.28	25,19,00,000	6.91
Total Unquoted Investments	**(B)**			**14.89**		**10.60**
Total Investments in Associates	**(A) + (B)**			**249.89**		**231.99**
Aggregate Market Value of Quoted Investments				**198.92**		**431.77**

Note: 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. Hence considering the long term prospects, no impairment is considered necessary as at the reporting date, except for reduction in the investments by virtue of share of loss in associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12 Other Investments

₹ in Crores

Particulars	Face Value ₹ per Share	As at 31-03-2020		As at 31-03-2019	
		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	2.84	17,400	3.43
HDFC Bank Limited	2	2,500	0.22	2,500	0.58
Sub-total			**3.06**		**4.01**
Investments in Mutual Funds (measured at FVTPL)					
HDFC Mutual Fund	10	4,89,192	0.42	4,49,842	0.54
Sub-total			**0.42**		**0.54**
Total Quoted Investments (A)			**3.48**		**4.55**
Aggregate Market Value of Quoted Investments			**3.48**		**4.55**
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 [Refer Note (b) below]	0.10	58	-	58	-
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)			**25.61**		**26.68**

Notes

(a) *The company has invested ₹ 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, 6,16,400 shares (PY: 9,64,800 shares) are being held jointly with the related parties as at the reporting date. Consequently, the related parties have used the entitled power of 2.30 MW (PY: 3.60 MW) for which the charges were borne by them directly and balance power of 3.70 MW (PY: 2.40 MW) were used by the Company captively. The Company has collected 10 paise per unit for the power consumed by the related parties by virtue of joint entitlement of power. [Refer Note 54(c)(4) & Note 54(a)(10)].*

(b) *The Company received 58 equity shares of ₹ 0.10 each of Chennai Super Kings Cricket Limited (CSKCL), free of cost, determined in the ratio of 1 equity share of ₹ 0.10 each of CSKCL for every equity share of ₹ 10 each held in India Cements Limited.*

(c) *Refer Note 55 for information about fair value hierarchy under Disclosure of Fair value measurements.*

13 Loans (Non-current)

₹ in Crores

Particulars	31-03-2020	31-03-2019
Secured and Considered Good		
Loans to employees	8.54	8.83
Loans and advances to service providers	6.65	4.79
Unsecured and Considered Good		
Loans to Associates [Refer Note 54(c)(2)]	9.65	-
Loans to employees	3.23	2.83
Total	**28.07**	**16.45**

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 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 ₹ 9.65 Crores (PY: Nil) towards amount outstanding towards loan given in connection with acquisition of capital asset*

₹ in Crores

Particulars	31-03-2020	31-03-2019
14 Other Financial Assets (Non-current)		
Unsecured and Considered Good		
Deposit with Government Departments	16.77	15.25
Fixed Deposits with Banks (maturity more than 12 months)	2.09	2.07
Total	**18.86**	**17.32**

Note: Fixed Deposits with Banks represent amount held as security towards Government departments / Borrowings.

15 Other Non-Current Assets

Secured and Considered Good		
Capital Advances	237.20	150.29
Unsecured and Considered Good		
Capital Advances	47.09	57.76
Deposits under protest, in Appeals	34.45	35.43
Balance/Claims with Government Departments	2.83	2.83
Income Tax Refund receivable	9.37	15.61
Prepaid Expenses	13.51	15.95
Total	**344.45**	**277.87**

Notes

(a) *Capital Advances are secured by way of Bank guarantees.*

(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 ₹ 1.50 Crores (PY: ₹ 1.50 Crores) from the Government of Tamil Nadu, which is included in 'Balance / Claims with Government Departments.'*

(c) *Prepaid Expenses include Nil (PY: ₹ 6.84 Crores) towards unamortised upfront premium paid towards lease of land and out of which, Nil (PY: ₹ 0.18 Crores) have been classified under Other current assets. Consequent to adoption of Ind AS 116, using Modified Retrospective Method, with effect from 01-04-2019, the Group has recognised Right-of-Use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, if any, relating to that lease recognized in the balance sheet immediately before the date of initial application [Refer Note 49].*

16 Inventories (Valued at lower of Cost or Net Realisable Value)

Raw materials	154.15	135.85
Stores and Spares	174.43	154.05
Fuel	169.01	176.25
Packing Materials	28.04	21.07
Work-in-progress	53.77	40.01
Finished goods	67.48	33.85
Total	**646.88**	**561.08**

Notes

(a) *Goods in transit included in Inventories -*

Raw materials	*0.03*	-
Stores and Spares	*0.21*	-
Total	***0.24***	**-**

(b) *The total carrying amount of inventories as at the reporting date has been pledged as security for Short term Borrowings.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
17 Trade Receivables		
Secured and considered good	285.67	290.90
Unsecured and considered good	241.96	199.17
Unsecured and which have significant increase in credit risk	6.60	6.93
Less: Allowance for expected credit loss	(6.60)	(6.93)
Total	**527.63**	**490.07**

Notes

(a) Unsecured Trade Receivables include dues from -

- State Electricity Boards towards Sale of Power	*134.13*	*85.56*
- State Government departments towards Sale of Cement	*11.34*	*13.20*
- Associates towards Sale of Cement / Information Technology services	*0.27*	*1.25*
Total	***145.74***	***100.01***

(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.

(d) The receivables due from the related parties are furnished in Note 54(c)(1).

(e) Trade receivables under Unsecured and Considered Good is after deduction of ₹ 30.43 Crores (PY: Nil), since the Group has received the money from the bank on account of factoring of certain receivables by assigning its rights and privileges to the bank pertaining to such receivables.

(f) Refer Note 56 for information about risk profile of Trade Receivables under Financial Risk Management.

(g) The total carrying amount of trade receivables has been pledged as security for Short term Borrowings.

18 Cash and Cash Equivalents

Cash on hand	0.11	0.09
Imprest balances	0.03	0.04
Balances with Banks in Current Account	63.44	59.35
Fixed deposits with maturity less than 3 months	0.35	0.15
Total	**63.93**	**59.63**

Notes

(a) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

(b) Refer Note 56 for information about risk profile of cash and cash equivalents under Financial Risk Management.

19 Bank Balances other than Cash and Cash Equivalents

Fixed Deposits with Banks (maturity of more than 3 months but less than 12 months)	27.64	31.94
Earmaked Balance with Banks for Unclaimed Dividend	2.58	3.26
Total	**30.22**	**35.20**

Notes

Fixed Deposits with Banks include -

(a) Amount deposited by the Group as per the directions issued by Competition Appellate Tribunal in the matter of alleged cartelisation	*25.86*	*25.86*
(b) Interest accrued on the above	*1.66*	*-*
(c) Amount deposited which is held towards security to various Government departments	*0.12*	*0.08*

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for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
20 Loans (Current)		
Secured and Considered Good		
Loans to employees	3.14	3.08
Loans and advances to service providers	8.28	6.39
Unsecured and Considered Good		
Loans and advances to Associates [Refer Note 54(c)(2)]	8.97	8.97
Loans and advances to other related parties [Refer Note 54(c)(2)]	4.30	4.41
Loans to employees	4.80	4.55
Loans and advances to service providers	0.33	0.01
Total	**29.82**	**27.41**

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 by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.

(c) Loans and advances to Associates comprises ₹ 8.92 Crores (PY: ₹ 8.92 Crores) towards outstanding advances in connection with acquisition of capital asset and ₹ 0.05 Crores (PY: ₹ 0.05 Crores) towards security deposits in the normal course of business.

(d) Loans and advances to other related parties represent advances towards operations in the normal course of business.

21 Other Financial Assets (Current)

Particulars	31-03-2020	31-03-2019
Unsecured and Considered Good		
Advances/Claims receivable	43.57	44.03
Deposits with Government Departments	0.71	0.62
Industrial Promotion Assistance receivable	52.44	37.62
Interest receivable	2.09	5.80
Unbilled Revenue	5.31	5.62
Total	**104.12**	**93.69**

Notes

(a) Industrial Promotion Assistance receivable represents amount receivable from Government of Andhra Pradesh.

(b) Unbilled Revenue represent Contract assets for which the Group has evacuated the power to the grid / provided services to its customers but not billed to the customer based on -

- Power purchase agreement for wind power	*3.70*	*5.28*
- Blling rights upon acheivement of milestones for technology services as per agreed terms	*1.61*	*0.34*
Total	***5.31***	***5.62***

22 Current Tax Assets

Particulars	31-03-2020	31-03-2019
Advance Income Tax & Tax deducted at source (net of provision for tax)	2.80	5.96
Total	**2.80**	**5.96**

Note: Advance Income Tax & Tax deducted at source is net of provision for tax of ₹ 136.15 Crores (PY: ₹ 188.68 Crores)

23 Other Current Assets

Particulars	31-03-2020	31-03-2019
Unsecured and Considered Good		
Balance/Claims with Government Departments	2.75	5.48
Advances to Suppliers & Service providers	27.52	37.91
Advances to employees	0.01	0.03
Tax Credit - Indirect taxes	123.95	38.01
Prepaid Expenses	16.08	26.04
Total	**170.31**	**107.47**

Note: Tax Credit - Indirect taxes include un-utilised input tax credit availed under GST for the ongoing capacity expansions. These credits are available for set-off in the subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

24 Equity Share Capital

₹ in Crores

Particulars	As at 31-03-2020	As at 31-03-2019
Authorised		
25,00,00,000 Equity Shares of ₹ 1/- each	25.00	25.00
(PY: 25,00,00,000 Equity Shares of ₹ 1/- each)		
Issued, Subscribed and Fully paid-up		
23,55,76,780 Equity Shares of ₹ 1/- each	23.56	23.56
(PY: 23,55,76,780 Equity Shares of ₹ 1/- each)		

Note: 2,33,600 bonus shares (PY: 2,33,600 bonus shares) of ₹ 1/- each remain unallotted pending completion of required formalities.

(i) Reconciliation of the number of shares

No. of equity shares at the beginning of the year	23,55,76,780	23,55,76,780
Issue of Equity Shares during the year	-	-
No. of Equity shares at the end of the year	23,55,76,780	23,55,76,780

(ii) Term/Rights/Restrictions attached to Equity Shares

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

(iii) Shareholders holding more than 5 percent in the Company

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Ramco Industries Limited	4,95,89,420	21.05	4,94,60,420	21.00
Rajapalayam Mills Limited	3,30,65,000	14.04	3,30,65,000	14.04
Kotak Mahindra Mutual Fund	1,54,32,605	6.55	1,03,20,359	4.38
L & T Mutual Fund	1,06,98,239	4.54	1,26,66,715	5.38

Particulars	As at 31-03-2020	As at 31-03-2019
(iv) Aggregate number of equity shares of ₹ 1/- each bought back during the period of five years immediately preceeding the reporting date	25,00,000	25,00,000
(v) Number of Equity Shares of ₹ 1/- each reserved for issue under Employee Stock Options Scheme, 2018. Refer Note 49 for terms,conditions and other disclosures as per Ind AS 102.	5,15,600	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2020

25 Other Equity

₹ in Crores

Particulars	31-03-2020	31-03-2019
Capital Redemption Reserve		
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.

Particulars	31-03-2020	31-03-2019
Capital Reserve on Consolidation		
Balance as per last financial statement	52.99	52.99

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.

Particulars	31-03-2020	31-03-2019
General Reserve		
Balance as per last financial statement	4,231.05	3,812.89
Add: Amount transferred from Retained Earnings	437.88	418.16
Total	**4,668.93**	**4,231.05**

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.

Particulars	31-03-2020	31-03-2019
Employee Stock Options Reserve		
Balance as per last financial statement	-	-
Add: Reserve created for ESOP granted during the year	21.52	-
Total	**21.52**	**-**

Nature of Reserve

The share based payment reserve represent amount recognisesd towards the value of equity-settled share based payments granted to employees under ESOS 2018.

Particulars	31-03-2020	31-03-2019
Retained Earnings		
Balance as per last financial statement	221.31	216.60
Add: Profit for the year	604.14	510.72
Add: Transfer from FVTOCI Reserve	(6.98)	(2.57)
Sub-total	**818.47**	**724.75**
Less: Appropriations		
Interim Dividend (₹ 2.50 per share for the year 2019-20)	58.95	-
Dividend Distribution Tax on Interim Dividend	12.12	-
Final Dividend (₹ 3/- per share for FY 2018-19; PY: ₹ 3/- per share for FY 2017-18)	70.74	70.74
Dividend Distribution Tax on Final Dividend	14.54	14.54
Transfer to General reserve	437.88	418.16
Total Appropriations	**594.23**	**503.44**
Total	**224.24**	**221.31**

Nature of Reserve

Retained Earnings represent the undistributed profits of the Group remaining after transfer to other Reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)		
Balance as per last financial statement	6.46	4.97
Add: Other Comprehensive Income for the year	(4.96)	(1.08)
Sub-total	**1.50**	**3.89**
Less: Transfer to Retained Earnings	(6.98)	(2.57)
Total	**8.48**	**6.46**
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	**4,977.79**	**4,513.44**

Note: The Board of Directors have recommended and paid Interim Dividend of ₹ 2.50/- per share for the year 2019-20 (FY 2018-19: Interim dividend: Nil; Final Dividend: ₹ 3/- share).

25a Non-controlling Interests

Share of Capital in Subsidiaries	0.57	0.57
Share of Profit in Subsidiaries	5.07	4.13
Total	**5.64**	**4.70**

26 Long Term Borrowings

Secured		
Redeemable Non Convertible Debentures (NCDs) at par		
7.12% Non Convertible Debentures	100.00	-
7.25% Non Convertible Debentures	95.00	-
6.90% Non Convertible Debentures	100.00	-
7.00% Non Convertible Debentures	100.00	-
Term Loans from Banks	1,222.83	425.81
Soft Loan from Government	133.11	130.28
Unsecured		
Interest free Deferred Sales tax liability	81.40	145.09
Total	**1,832.34**	**701.18**

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

(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.

(iii) The rate of interest and maturity date of redemption of debentures starting from farthest redemption is given below

Particulars	*Maturity Date*	*No. of Instalments*	*Total Amount*
Series D - 7.00% Non Convertible Debentures	*26-05-2023*	*1*	*100.00*
Series C - 6.90% Non Convertible Debentures	*26-08-2022*	*1*	*100.00*
Series B - 7.25% Non Convertible Debentures	*20-12-2021*	*1*	*95.00*
Series A - 7.12% Non Convertible Debentures	*18-06-2021*	*1*	*100.00*
Total		***4***	***395.00***

(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.

(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) Term Loan from Banks amounting to ₹ 700 Crores, ₹ 450.83 Crores and ₹ 400 Crores carry Interest Rate linked to MCLR, which stood at 7.85% p.a., 7.95% p.a. and 8% p.a. respectively, as at the reporting date. The interest rates are reset on monthly / quarterly basis. The term loans are repayable in equal quarterly instalments at various dates and the maturity profile grouped as given below:

₹ in Crores

Repayment Due	No. of Instalments	Total Amount
2020 - 21	12	328.00
2021 - 22	12	453.42
2022 - 23	12	424.01
2023 - 24	12	274.15
2024 - 25	6	51.25
2025 - 26	4	20.00
Sub-total	**58**	**1,550.83**
Less: Transferred to Current maturities of Long term borrowings	12	328.00
Total	**46**	**1,222.83**

(c) Soft Loan from Government

(i) The Group has measured the loans availed at a concessional rate at fair value. The difference between fair value of the loan and the carrying amount is classified as Deferred Grant.

Particulars	31-03-2020	31-03-2019
Balance as at the beginning of the year	130.28	126.47
Add: Fair value of Soft loan availed during the year	0.85	2.15
Add: Interest accrued on the fair value of soft loan during the year	1.98	1.66
Total	**133.11**	**130.28**

(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 soft loan from government being, ₹ 153.04 Crores (Fair value as at the reporting date is ₹ 133.11 Crores), are repayable as per the schedule given below:

Repayment Due	Instalment Amount
April 2022	30.74
April 2023	50.01
April 2024	30.02
April 2025	18.60
April 2026	10.00
April 2027	5.74
April 2028	4.95
April 2029	2.98
Total	**153.04**

(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.

(iii) The maturity profile of Interest free Deferred Sales tax liability is given below:

Repayment Due	No. of Instalments	Instalment Amount
2020 - 21	7	63.69
2022 - 23	4	16.24
2023 - 24	9	38.21
2024 - 25	4	18.64
2025 - 26	3	8.31
Sub-total	**27**	**145.09**
Less: Transferred to Current maturities of Long term borrowings	7	63.69
Total	**20**	**81.40**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019

(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 is as below***

Particulars	*Amount*
(i) Incremental borrowings done in FY 2019-20 - Long term borrowings from Bank	*1,520.00*
(ii) Mandatory borrowing to be done through issuance of debt securities [25% of (i)]	*380.00*
(iii) Actual borrowings done through debt securities, Non-convertible debentures	*395.00*
(iv) Shortfall in the mandatory borrowings through debt securities, if any	*-*
(v) Reasons for shortfall, if any, in mandatory borrowings through debt securities	*Not Applicable*

27 Other Financial Liabilities

Lease Liabilities (Refer Note 49)	8.06	-
Total	**8.06**	**-**

28 Provisions (Long term)

Provision for Mines Restoration Obligation	24.03	15.69
Total	**24.03**	**15.69**

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.

(b) Movement in Provisions for Mines Restoration Obligation

Carrying amount as at the beginning of the year	*15.69*	*8.65*
Add: Provision created during the year	*6.37*	*5.82*
Add: Unwinding of discount on provisions	*1.97*	*1.22*
Carrying amount as at the end of the year	***24.03***	***15.69***

29 Deferred Tax Liabilities (net)

Particulars	As at 01-04-2018	MAT Credit Utilised	Recognised in Profit and Loss	As at 31-03-2019	MAT Credit Reversed	Recognised in Profit and Loss	As at 31-03-2020
Tax Impact on difference between book depreciation and depreciation under the Income Tax Act, 1961	912.79	-	9.51	922.30	-	75.36	997.66
Tax Impact on amortization of intangible assets	0.32	-	(0.21)	0.11	-	(0.05)	0.06
Tax Impact on provision for compensated absences / gratuity	(8.92)	-	1.05	(7.87)	-	(1.31)	(9.18)
Tax Impact on carry forward loss / unabsorbed depreciation	(3.90)	-	0.43	(3.47)	-	1.37	(2.10)
Tax Impact on allowance for expected credit losses	(3.47)	-	1.05	(2.42)	-	0.11	(2.31)
Tax Impact on Lease Accounting as per Ind AS 116	-	-	-	-	-	(0.02)	(0.02)
Tax Impact on Asset related subsidy from Government	(0.13)	-	0.03	(0.10)	-	0.02	(0.08)
Tax Impact on Remeasurement gains and (losses) on defined benefit obligations (net)	0.02	-	(0.02)	-	-	-	-
Unused tax credits (i.e) MAT Credit Entitlement	(100.03)	(50.25)	13.04	(36.74)	0.07	(28.12)	(64.93)
Tax Impact on unrealised profit on assets	(7.52)	-	0.40	(7.12)	-	0.32	(6.80)
Others	(0.51)	-	-	(0.51)	-	-	(0.51)
Total	**788.65**	**(50.25)**	**25.28**	**864.18**	**0.07**	**47.68**	**911.79**

₹ in Crores

Particulars	31-03-2020	31-03-2019
Reconciliation of Deferred tax Liabilities (Net)		
Balance at the beginning of the year	**864.18**	**788.65**
Deferred Tax Expense recognised for profit before share of profit of Associates	47.72	25.25
Deferred Tax Expense / (Credit) recognised in share of profit of associates	(0.04)	0.05
Deferred Tax Expense / (Credit) during the year recognised in OCI	-	(0.02)
MAT Credit utilised / (reversed) during the year	(0.07)	50.25
Balance at the end of the year	**911.79**	**864.18**

Components of Tax Expenses			
(i)	**Profit or Loss Section**		
	Current Tax		
	Current Income Tax charge	139.83	190.21
	Excess tax provision related to earlier years written back	0.30	(4.85)
	Deferred Tax		
	Relating to the origination and reversal of temporary differences	75.95	11.89
	MAT Credit Recognition	(37.55)	(0.77)
	Deferred Tax adjustments of earlier year	9.32	14.13
	Total Tax Expenses recognised in Profit or Loss section	**187.85**	**210.61**
(ii)	**Other Comprehensive Income Section**		
	Current Tax credit on remeasurement losses on defined benefit obligations (net)	(3.68)	(1.53)
	Deferred Tax credit on remeasurement losses on defined benefit obligations (net)	-	(0.02)
	Total Tax Credit to OCI	**(3.68)**	**(1.55)**
(iii)	**Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)**	**184.17**	**209.06**

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:

Accounting Profit before Tax (including OCI)	**780.63**	**713.72**
Corporate Tax Rate %	34.944%	34.944%
Computed Tax Expense	**272.78**	**249.40**
Increase/(reduction) in taxes on account of:		
Tax adjustments of earlier years	9.62	9.28
Non-deductible expenses	12.97	15.54
Income exempt / eligible for deduction under chapter VI-A	(110.40)	(64.20)
Additional allowances / deductions for tax purposes	(0.76)	(1.04)
Different tax rates / tax adjustments upon consolidation between members of the group	(0.04)	0.08
Tax Expenses recognised in the Statement of Profit and Loss	**184.17**	**209.06**

Notes

(a) *The Company provides for taxation based on MAT method (PY: Regular method) during the year.*

(b) *Tax adjustments of earlier years represent amount provided for / written back based on recent assessment orders.*

(c) *A new Section 115BAA in the Income Tax Act, 1961, vide the Taxation Laws (Amendment) Ordinance 2019, is introduced providing domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01-04-2019 subject to certain conditions. Since new tax regime are not beneficial in view of various deductions, exemptions and MAT Credit Entitlement available under existing tax regime, the Group has not adopted new tax rates for the year and continue to adopt tax rates under existing tax regime. Accordingly, the Group has recognised deferred tax at the existing rates.*

(d) *A deferred tax liability in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised because the Parent control the dividend policy of its subsidiaries and the management is satisfied that they are not expecting to distribute profit in the foreseeable future.*

(e) *The Company has applied Nil rate of tax on undistributed profits of subsidiaries / associates and thus has not recognized deferred tax in view of dividends are exempt from tax either under the erstwhile Section 10(34) of Income Tax Act, 1961 for the period up to 31-03-2020, or entitlement of deduction computed under section 80 M thereafter in respect of inter-corporate dividends.*

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for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019

30 Deferred Government Grants (Non-current)

Deferred Government Grant	12.83	13.07
Total	**12.83**	**13.07**

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 recognised as Grant Income over the useful life of the underlying PPE.*

(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*

As at the beginning of the year	*14.35*	*13.84*
Add: Recognition of Deferred Grant - Soft Loan from Government [Refer Note (26)(c)]	*2.12*	*2.81*
Less: Recognised as Grant Income in the Statement of Profit and Loss [Refer Note 37]	*2.26*	*2.30*
Total Deferred Government Grant	***14.21***	***14.35***
Less: Current portion of Government Grant (Refer Note 36)	*1.38*	*1.28*
Non-Current Deferred Government Grants	***12.83***	***13.07***

31 Short Term Borrowings

Secured		
Loan from Banks	140.00	40.00
Cash credit	-	21.51
Unsecured		
Loans and advances from Director	1.39	2.07
Loan from Banks	260.00	225.75
Commerical Papers	398.67	440.00
Total	**800.06**	**729.33**

Notes

(a) *Borrowings are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future, and specific fixed deposits.*

(b) *Loans and advances from Director represents amount due to Chairman and 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 ₹ 0.15 Crores (PY: ₹ 0.18 Crores).*

(c) *Other Short term borrowings availed during the year carry interest rates ranging from 6% to 9.28% p.a.in respect of Loan from Banks, 8.90% to 9.20% p.a. in respect of Cash credit and 5.20% to 7.90% p.a. in respect of Commerical Papers.*

(d) *Refer Note 56 for information about risk profile of borrowings under Financial Risk Management.*

32 Trade Payables

Dues of Micro and Small Enterprises	14.15	8.35
Dues of Creditors other than Micro and Small Enterprises		
- Payables to Related parties [Refer Note 54(c)(7)]	1.07	-
- Others	327.76	250.01
Total	**342.98**	**258.36**

Notes

The categorization of supplier as MSME registered under the Act, has been determined based on the information available with the Group as at the reporting date. The disclosures as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006 are furnished as below:

(a) (i) The principal amount remaining unpaid to any supplier at the end of the financial year included in Trade payables	*14.15*	*8.35*
(ii) The interest due on the above	*-*	*-*

₹ in Crores

Particulars		31-03-2020	31-03-2019
(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*	-	-

Refer Note 56 for information about risk profile of Trade payables under Financial Risk Management.

33 Other Financial Liabilities

Lease Liabilities [Refer Note 49]	0.10	-
Current Maturities of Long Term Borrowings [Refer Note 26]	391.69	206.41
Interest accrued	10.77	1.44
Unclaimed dividends	2.58	3.26
Unclaimed Matured Fixed Deposits	0.01	0.01
Security Deposits from		
- Associates [Refer Note 54(c)(4) & Note 54(c)(5)]	0.10	0.22
- Other related parties [Refer Note 54(c)(4)]	0.23	0.23
- Customers	458.52	554.39
- Service providers	5.14	5.10
Payables for Capital Goods	150.93	54.97
Financial Guarantee Obligation [Refer Note 46]	2.77	3.77
Book overdraft	33.64	98.40
Other payables	3.52	4.19
Total	**1,060.00**	**932.39**

Notes

(a) *Current maturities of Long term Borrowings comprises of maturities towards:*

Term Loan from Banks	*328.00*	*106.66*
Interest free Deferred Sales tax liability	*63.69*	*99.75*
Total	***391.69***	***206.41***

The details with regard to nature of security are furnished in Note 26.

(b) *Unclaimed Dividends / Fixed deposits 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.*

34 Other Current Liabilities

Statutory liabilities payable	38.22	64.01
Deferred Revenue on Software implementation services	0.18	-
Advances from / Credit balances with Customers	64.23	56.72
Total	**102.63**	**120.73**

Notes

(a) *Advances / Credit balances with Customers / Deferred Revenue on Software Implementation services represent contract liabilities for which performance obligations are pending as at the reporting date. These are received in the normal course of business and adjusted against subsequent supplies.*

(b) *The Group has applied the exemption specified in Paragraph 121 of Ind AS 115, since all the goods or services supplied by the Group are due for delivery within the next 12 months*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
35 Provisions (Short term)		
Provision for Compensated absences [Refer Note 47]	26.32	22.58
Provision for disputed income tax liabilities	2.95	2.88
Total	**29.27**	**25.46**

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 Balance Sheet date, using Projected Unit Credit method.*

(b) *Movement in Provisions for compensated absences*

Carrying amount as at the beginning of the year	*22.58*	*25.43*
Add: Current Service Cost	*0.97*	*0.97*
Add: Interest Cost	*1.65*	*1.65*
Add: Actuarial Loss	*3.38*	*4.04*
Less: Benefits paid	*2.26*	*9.51*
Carrying amount as at the end of the year	***26.32***	***22.58***

(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*

Carrying amount as at the beginning of the year	*2.88*	*23.01*
Add: Provision reclassified from Liabilties for current tax	*0.07*	*4.60*
Less: Tax adjustments based on completed assessments	*-*	*19.88*
Less: Excess tax provision written back during the year	*-*	*4.85*
Carrying amount as at the end of the year	***2.95***	***2.88***

36 Deferred Government Grants (Current)

Deferred Government Grants [Refer Note 30]	1.38	1.28
Total	**1.38**	**1.28**

37 Revenue from Operations

Sale of Products		
Domestic Sales		
Cement	5,126.96	4,902.03
Clinker	-	0.04
Dry Mortar Products	30.59	29.72
Ready Mix Concrete	14.16	15.97
Export Sales		
Cement - Direct Exports	1.86	5.70
Cement - Deemed Exports	16.83	19.21
Cement - Sale through Foreign branch	95.02	87.57
Other Operating Revenue		
Sale of power generated from Windmills	72.42	76.60
Income from Manpower supply services	1.22	-
Income from Information technology services	5.28	1.19
Scrap Sales	11.98	11.66
Industrial Promotion Assistance	10.72	10.35
Deferred Grant Income [Refer Note 30]	2.26	2.30
Total	**5,389.30**	**5,162.34**

Notes

(a) *The disaggregation of revenue as required under Ind AS 115 is given below*

Gross Revenue from Operations	*7,905.50*	*7,483.28*
Less: Rebates & Discounts	*1,050.33*	*900.76*
Less: Taxes (GST / VAT)	*1,465.87*	*1,420.18*
Revenue from Operations, net of duties and taxes	***5,389.30***	***5,162.34***

₹ in Crores

Particulars		31-03-2020	31-03-2019
(b) The Group has generated 26.27 Crore units (PY: 27.97 Crore units) net of wheeling and banking at windfarms.Out of 26.27 Crore units (PY: 27.97 Crore units) of power generated,			
- Units sold to TANGEDCO / Third party for ₹ 58.07 Crores (PY: ₹ 61.75 Crores) shown under 'Sale of power generated from windmills'.	*In Crore units*	*19.37*	*20.69*
- Units sold to related parties for ₹ 14.35 Crores (PY: ₹ 14.85 Crores) shown under 'Sale of power generated from windmills'.	*In Crore units*	*3.59*	*3.71*
- Units consumed at the cement plants. The monetary value of such units was not recognised as it is inter-divisional transfer	*In Crore units*	*2.96*	*3.29*
- Units adjusted towards transmission loss	*In Crore units*	*0.35*	*0.28*

(c) Income recognised as Industrial Promotion Assistance represents amount receivable from Government of Andhra Pradesh under IDP 2015-20 Scheme.

(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 windmills is recognised upon transmission of energy to the grids of state electricity boards. The Group's revenue from Information technology services are recognised over time using an input method, since the customer simultaneously receives and consumes the benefits provided by the Group. 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.

(e) No single customer contributed 10% or more to the Group's revenue for the year ended 31-03-2020 and 31-03-2019.

38 Other Income

Interest Income	11.85	7.96
Dividend Income	0.08	0.10
Sundry Receipts	8.76	6.60
Lease Rental Receipts	10.32	8.82
Carbon Credit sales	0.19	-
Gain on Exchange Difference (net)	2.13	-
Profit on Sale of Property, Plant and Equipment & Investment Property (net)	0.17	1.48
Total	**33.50**	**24.96**

Notes

(a) Interest Income include interest receivable for settlement of overdue oustandings by TANGEDCO - ₹ 2.27 Crores (PY: Nil). 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:

- Fair value through Profit and Loss (FVTPL)	*0.05*	*0.05*
- Fair value through Other Comprehensive Income (FVTOCI)	*0.03*	*0.05*
Total	***0.08***	***0.10***

Dividend income include ₹ 0.01 Crores relating to investments measured at FVTOCI that are derecognised during previous reporting period.

(c) Sundry Receipts include Duty Drawback from Customs towards Exports of ₹ 0.61 Crores (PY: ₹ 0.63 Crores) and fair value recognition of financial guarantee contracts of ₹ 1 Crore (PY: ₹ 1 Crore).

(d) The disclosures pertaining to lease rental receipts as required under Ind AS 116 are disclosed in Note 49.

39 Cost of Materials Consumed

Lime stone	350.76	341.72
Freight & Handling - Inter unit clinker transfer	223.09	223.52
Pozzolona Material	106.59	113.97
Gypsum	65.50	48.72
Clinker	80.35	-
Aggregates	16.72	14.86
Other Additives	63.43	76.56
Material handling expenses	14.71	9.24
Total	**921.15**	**828.59**

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for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2020
40 Changes in Inventories of Finished goods and Work-in-progress		
Closing Stock		
Finished Goods	67.48	33.85
Work-in-progress	53.77	40.01
	121.25	**73.86**
Opening stock		
Finished Goods	33.85	36.19
Work-in-progress	40.01	55.97
	73.86	**92.16**
Total	**(47.39)**	**18.30**

41 Employee Benefits Expense

Salaries and Wages	299.23	280.33
Workmen and Staff welfare	34.84	31.13
Contribution to Provident Fund and other funds [Refer Note 47]	35.67	31.00
Employee Stock Options Expense [Refer Note 48]	21.52	-
Sub-total	**391.26**	**342.46**
Less: Amount recognised in Other Comprehensive Income	10.66	4.52
Total	**380.60**	**337.94**

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 47 for disclosures pertaining to defined benefit obligations under Ind AS 19.*

42 Finance Costs

Interest on Term loans	60.78	48.87
Interest on Debentures	5.20	-
Interest expense on lease liabilities [Refer Note 49]	0.19	-
Others	5.97	2.55
Total	**72.14**	**51.42**

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 ₹ 82.97 Crores (PY: ₹ 29.17 Crores) attributable to the qualiying assets.*

(c) *Others include unwinding of discounts on provisions of ₹ 1.97 Crores (PY: ₹ 1.22 Crores)*

(d) *Refer Note 56 for information about Interest rate risk exposure under Financial Risk Management.*

43 Depreciation & Amortisation Expense

Depreciation on Property, Plant & Equipment [Refer Note 6]	283.60	260.81
Depreciation on Investment Property [Refer Note 8]	2.05	5.43
Amortization of Intangible Assets [Refer Note 9]	32.02	33.95
Sub-total	**317.67**	**300.19**
Less: Depreciation transferred to Capital Work in Progress	1.13	0.23
Total	**316.54**	**299.96**

₹ in Crores

Particulars	31-03-2020	31-03-2019
44 Other Expenses		
Manufacturing Expenses		
Packing Materials consumption	211.21	214.82
Stores and Spares consumption	69.51	58.99
Repairs to Plant and equipments	85.58	72.79
Repairs to Buildings	16.51	16.44
Repairs to Vehicles and locomotives	10.40	9.54
General repairs	0.24	0.32
Establishment Expenses		
Managing Director Remuneration	40.91	37.17
IT & Communication expenses	19.35	19.68
Insurance	11.77	10.12
Exchange Difference (net)	-	0.59
General Administration Expenses	4.63	4.60
Travelling expenses	32.36	28.70
Training & Development Expenses	2.35	0.49
Filing & Registration Fees	0.22	0.40
Lease Rent	13.70	13.74
Miscellaneous Expenses	10.54	9.00
Legal and Consultancy expenses	9.14	5.62
Bank Charges	1.25	1.10
Audit Fees and Expenses	0.51	0.48
Security Charges	20.87	17.35
Board Meeting expenses	0.08	0.07
Directors' Sitting fees	0.58	0.45
Donations	21.00	26.49
CSR expenditure	14.99	17.97
Rates and taxes	16.82	13.74
Selling and Distribution Expenses		
Advertisement expenses	108.79	42.77
Sales Promotion expenses	61.92	53.76
Selling Agents' Commission	19.86	16.55
Other Selling expenses	3.41	4.35
Impairment allowance for trade receivables	0.14	-
Total	**808.64**	**698.09**

Notes

(a) *The disclosures pertaining to lease rent as required under Ind AS 116 are disclosed in Note 49.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2020

₹ in Crores

Particulars	31-03-2020	31-03-2019
(b) Audit Fees and Expenses (net of tax credits)		
Statutory Auditors		
- Statutory Audit [include Foreign Branch Audit fees of ₹ 0.01 Crores (PY: 0.01 Crores)]	*0.28*	*0.28*
- Other Certification work	*0.06*	*0.01*
- Reimbursement of Expenses	*0.03*	*0.04*
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	*0.05*	*0.05*
- Reimbursement of Expenses	*0.00*	*0.00*
Secretarial Auditors		
- Secretarial Audit	*0.04*	*0.05*
- Reimbursement of Expenses	*0.01*	*0.01*
Total	***0.51***	***0.48***

45 Contingent Liabilities

Particulars	As at 31-03-2020	As at 31-03-2019
Guarantees given by the bankers on behalf of Group	150.46	109.68
Demands / Claims not acknowledged as Debts in respect of matters in appeals by		
- Parent	741.87	882.36
- Parent's share in Associates	25.20	24.05

46 Financial Guarantees

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 parties 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:

Raja Charity Trust	*20.40*	*27.85*

(c) The related parties are prompt in servicing the above loans.

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

Defined Contribution Plan

Employer's Contribution to Provident Fund	16.78	15.00
Employer's Contribution to National Pension System (NPS)	1.37	1.19
Employer's Contribution to Superannuation Fund	8.92	7.68

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" 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)

₹ in Crores

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Reconciliation of Opening and Closing balances of Present Value of Obligation				
As at the beginning of the year	57.51	50.85	22.58	25.43
Current Service Cost	3.37	2.89	0.97	0.97
Past Service Cost	(-) 5.10	Nil	Nil	Nil
Interest Cost	4.36	3.92	1.65	1.65
Actuarial Loss	10.02	3.63	3.38	4.04
Benefits paid	(-) 2.80	(-) 3.78	(-) 2.26	(-) 9.51
As at the end of the year	67.36	57.51	26.32	22.58
Reconciliation of Opening and Closing balances of Fair Value of Plan Assets				
As at the beginning of the year	57.51	50.76	Nil	Nil
Expected Return on Plan Assets	4.69	4.20	Nil	Nil
Actuarial (Loss) / Gain	(-) 0.64	(-) 0.89	Nil	Nil
Employer contribution	8.60	7.22	2.26	9.51
Benefits paid	(-) 2.80	(-) 3.78	(-) 2.26	(-) 9.51
As at the end of the year	67.36	57.51	Nil	Nil
Actual Return on Plan Assets				
Expected Return on Plan Assets	4.69	4.20	Nil	Nil
Actuarial (Loss) / Gain on Plan Assets	(-) 0.64	(-) 0.89	Nil	Nil
Actual Return on Plan Assets	4.05	3.31	Nil	Nil
Reconciliation of Fair Value of Assets and Obligations				
Fair Value of Plan Assets	67.36	57.51	Nil	Nil
Present value of Obligation	67.36	57.51	26.32	22.58
Difference	Nil	Nil	26.32	22.58
Amount recognized in Balance Sheet	Nil	Nil	26.32	22.58
Expense recognized during the year				
Current Service Cost	3.37	2.89	0.97	0.97
Net Interest on obligations	(-) 0.33	(-) 0.28	1.65	1.65
Actuarial Loss / (Gain) recognised during the year	Nil	Nil	3.38	4.04
Past service cost	(-) 5.10	Nil	Nil	Nil
Expenses recognised in Profit and Loss Section	(-) 2.06	2.61	6.00	6.66
Actuarial changes arising from:				
-Experience adjustments on Plan liabilities	3.04	(-) 0.35	Nil	Nil
-Experience adjustments on Plan Assets	0.62	0.88	Nil	Nil
-Changes in financial assumptions	7.00	3.99	Nil	Nil
-Changes in demographic assumptions	Nil	Nil	Nil	Nil
Expenses recognised in OCI	10.66	4.52	Nil	Nil
Amount recognised in Total Comprehensive Income	8.60	7.13	6.00	6.66

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₹ in Crores

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Investment Details				
Funds with Insurers	55.01	53.80	Nil	Nil
Bank balance	8.20	0.01	Nil	Nil
Interest, IT refund receivable and Others	4.15	3.70	Nil	Nil
Total	67.36	57.51	Nil	Nil
Actuarial assumptions				
Indian Assured Lives Mortality (2012-14) Table	Yes	Yes	Yes	Yes
Discount rate p.a Expected rate of Return on Plan Assets p.a	6.69% to 6.71%	7.71% to 7.76%	6.69% to 6.71%	7.71% to 7.76%
Rate of escalation in salary p.a	4.00%	4.00%	4.00%	4.00%
Rate of Employee turnover	1% to 3%	1.00%	1% to 3%	1.00%
Estimate of Expected Benefit Payments				
Year 1	2.00	1.46	0.68	0.44
Year 2	9.10	15.42	2.46	4.80
Year 3	4.39	5.27	1.21	1.76
Year 4	4.93	5.03	1.18	1.54
Year 5	5.34	5.18	1.85	1.67
Next 5 years	29.08	25.45	10.11	8.80

Gratuity Plan (Funded)	31-03-2020	31-03-2019
Enterprise's best estimate of contribution during next 12 months	7.69	3.50
Average Duration of defined benefit obligations (in years)	10.70	8.20

Quantitative Sensitivity Analysis for significant assumptions

Particulars	Effect on Gratuity Obligation		Effect on provision for Compensated Absences	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
0.50% Increase in Discount Rate	64.15	55.40	24.68	21.49
0.50% Decrease in Discount Rate	70.86	59.78	27.60	23.35
0.50% Increase in Salary Growth Rate	70.98	59.88	27.63	23.39
0.50% Decrease in Salary Growth Rate	64.01	55.30	24.64	21.45
0.50% Increase in Attrition Rate	68.31	58.29	26.50	22.71
0.50% Decrease in Attrition Rate	66.36	56.69	25.63	22.04

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.

48. Disclosures pertaining to Share Based Payments as per Ind AS 102

(a) ESOS Schemes

The Group 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 of the Parent granted 5,15,600 options to its eligible employees under various ESOS schemes at its meeting held on 07-08-2019. 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 Group has recognized ₹ 21.52 Crores as Employee stock options expense towards equity-settled share based transactions. There are no cash settlement options alternatives. Other terms and conditions of the plan are tabled below:

Particulars	ESOS 2018 PLAN-A	ESOS 2018 PLAN -B
No. of Options outstanding	2,31,000	2,84,600
Vesting Plan	100% vesting at the end of 1st year	
Exercise Period	Before 31st December of succeeding financial year from the date of vesting	
Grant Date	21st August 2019	
Vesting Date	6th August 2020	
Exercise Price (₹ per Share)	1	100
Fair value of option on the date of grant (₹ per Share)	707.08	614.54
Method of Settlement	Equity-Settled Option	

As per Ind AS 102, grant date means the date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. Since it was agreed by the eligible employees on 21st August 2019, the grant date has been taken as 21st August 2019.

(b) Movement of Options granted along with Weighted Average Exercise Price (WAEP)

In ₹

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Options	WAEP / Share	No. of Options	WAEP / Share
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	5,15,600	55.65	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	5,15,600	55.65	-	-
Exercisable at the end of the year	-	-	-	-

For the options outstanding at the end of the period, the exercise prices range from ₹ 1/- per share to ₹ 100/- per share and the weighted average remaining contractual life as at 31st March 2020 is 128 days.

(c) Fair Valuation of Employee Stock Options

The Weighted average fair value of the options granted during the year is ₹ 656/- per share. The fair value of options has 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 is given below:

Particulars	ESOS 2018 PLAN A	ESOS 2018 PLAN B
Market Price of the underlying asset	₹ 710.90 per Share as at 21st August 2019	
Risk Free Rate	7% p.a.	
Option Life	Vesting period of 352 days	
Expected Volatility	10%	
Dividend Yield	0.42%	

Expected Volatility is based on historical volatility of the observed market prices on National Stock Exchange up to the grant date.

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49. Disclosures pertaining to adoption of new standard of Ind AS 116, Leases

Consequent to the introduction of Ind AS 116 on Leases replacing the old standard Ind AS 17, the Group has applied Ind AS 116 using modified retrospective approach with the date of initial application of 1st April, 2019. Thus, the Group has changed its accounting policy and measured lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and recognize Right-of-Use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, if any, relating to that lease recognized in the balance sheet immediately before the date of initial application.

In case of short-term leases, whose lease term is 12 months or less, the Group as a lessee opted to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term. Further, the Group, as a lessee, opted not to apply the requirements whose lease term ends within 12 months from date of initial application. In this case, the Group account for those leases in the same way as short-term leases.

The weighted average of Group's incremental borrowing rate applied to lease liabilities on the date of initial application is 10% p.a. The reconciliation between operating lease commitments as 31-03-2019 and lease liabilities as at 01-04-2019 and 31-03-2020 are given below:

₹ in Crores

Particulars	Amount
Lease commitments as at 31st March 2019	**5.41**
Less: Unwinding of Interest on Lease Liabilities	2.43
Less: Leases whose lease term ends within 12 months from date of initial application	0.52
Less: Leases whose non-cancellable period is less than 12 months	0.04
Less: Leases for which there is a change in the expected lease term	0.51
Lease Liabilities as at 1st April 2019	**1.91**
Add: Lease Liability recognition for lease arrangements entered during the period April 2019 to March 2020	6.20
Add: Interest accrued on Lease Liabilities for the period April 2019 to March 2020	0.50
Less: Lease payments for the period April 2019 to March 2020	0.45
Lease Liabilities as at 31st March 2020	**8.16**
Current portion of Lease Liabilities as at 31st March 2020	**0.10**
Non-Current portion of Lease Liabilities as at 31st March 2020	**8.06**

The Group recognized a right-of-use asset of ₹ 8.75 Crores at the date of initial application i.e. as at 1st April 2019, for leases previously classified as an operating lease applying Ind AS 17, at an amount equal to the lease liability of ₹ 1.91 Crores, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application, amounting to ₹ 6.84 Crores, with no restatement of comparative figures in the financial statements.

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.

₹ in Crores

Particulars	31-03-2020	31-03-2019
Maturity analysis of lease liabilities		
Not later than one year	0.91	0.76
One to five years	3.80	0.95
More than five years	12.58	3.70
Total Undiscounted lease liabilities as at 31st March	**17.29**	**5.41**

Other disclosures as required by Ind AS 116

Depreciation charge for Right-of-use asset	0.47	-
Interest on lease liabilities	0.50	-
Expenses relating to short-term leases	13.70	-
Income from sub-leasing right-of-use assets	-	-
Total cash outflow for leases including principal and interest	0.45	-
Additions to Right-of-use assets upon transition to Ind AS 116	14.95	-
Carrying amount of Right-of-use assets at 31st March	14.48	-

Notes

(a) *Depreciation charge for Right-of-Use Asset include capitalized portion of ₹ 0.19 Crores (PY: Nil) and Interest on lease liabilities include capitalized portion of ₹ 0.31 Crores (PY: Nil). Since the Group has adopted Ind AS 116 using Modified Retrospective Method with no restatement to comparative figures, previous year figures disclosures are not applicable.*

(b) *Expenses relating to Short-term lease include leases whose lease term ends within 12 months from date of initial application and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.*

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:

Not later than one year	9.25	7.73
One to five years	26.43	40.02
More than five years	7.90	8.07

50. Disclosure of Interests in Subsidiaries

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	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
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%

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₹ in Crores

Non-controlling interest (NCI)	RWL		RITSL	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Accumulated balances of NCI	4.90	4.00	0.74	0.70
Profit / (Loss) & OCI allocated to NCI	0.90	0.77	0.04	(0.06)
Dividend paid to NCI	-	-	-	-

The summarised separate financial information of subsidiaries is as below:

Balance sheet				
Non-current assets	42.14	44.09	16.64	16.23
Current assets	2.86	2.05	4.89	2.63
Total Assets	**45.00**	**46.14**	**21.53**	**18.86**
Non-current liabilities	21.72	19.23	7.40	-
Current liabilities	6.11	12.89	1.49	7.01
Total Liabilities	**27.83**	**32.12**	**8.89**	**7.01**
Total Equity	**17.17**	**14.02**	**12.64**	**11.85**
Profit and Loss				
Revenue	14.38	14.92	40.93	35.85
Profit / (Loss) for the year	3.15	2.70	0.59	(0.98)
Other comprehensive income	-	-	0.20	(0.01)
Total comprehensive Income	**3.15**	**2.70**	**0.79**	**(0.99)**
Cash flow				
Cash flows from operating activities	8.93	8.54	(0.79)	(6.41)
Cash flows from investing activities	(0.10)	(0.64)	(0.01)	(2.57)
Cash flows from financing activities	(8.35)	(7.94)	0.98	10.25
Net Increase/(Decrease) in cash & cash equivalents	**0.48**	**(0.04)**	**0.18**	**1.27**

51. Disclosure of Interests in Associates under equity method

Name of the Company	% of Effective shareholding	
	31-03-2020	31-03-2019
Ramco Industries Limited	15.56%	15.56%
Ramco Systems Limited	19.56%	19.57%
Rajapalayam Mills Limited	0.61%	0.61%
Madurai Trans Carrier Limited	29.86%	29.86%
Lynks Logistics Limited	46.43%	49.53%

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
Immaterial Associate		
Madurai Trans Carrier Limited (MTCL)	India	Aircraft charter services

Summarised financial information of Associates

The summarised consolidated financial statements of the material associates are as below:

₹ in Crores

Balance sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
As at 31-03-2020						
Ramco Industries Limited	531.54	2,571.07	610.59	52.29	451.54	3,209.37
Ramco Systems Limited	537.02	1.50	439.53	89.12	281.03	607.90
Rajapalayam Mills Limited	638.18	1,561.82	232.09	331.45	313.20	1,787.44
Lynks Logistics Limited	23.14	-	9.22	-	5.79	26.57
As at 31-03-2019						
Ramco Industries Limited	493.61	2,440.29	572.41	82.82	371.31	3,052.18
Ramco Systems Limited	477.08	1.29	372.06	26.09	245.45	578.89
Rajapalayam Mills Limited	517.46	1,478.10	239.19	222.32	311.16	1,701.27
Lynks Logistics Limited	15.07	-	3.63	-	4.61	14.09

Note: The above financial information is further amended to determine the effects of reciprocal interest amongst the associates and to arrive the share of interest in associates thereafter.

Profit and Loss	RIL		RSL	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Total Revenue	1,014.93	1,060.57	568.92	542.13
Profit before tax	103.35	107.19	33.71	42.33
Tax expenses	34.42	32.68	22.80	25.43
Profit after tax	68.93	74.51	10.91	16.90
Share of profit in Associate / Minority Interest	100.57	97.85	(0.74)	(0.49)
Other Comprehensive Income	(3.61)	3.08	17.15	6.10
Total Comprehensive Income	165.89	175.44	27.32	22.51

Note: The above financial information is further amended to determine the effects of reciprocal interests amongst the associates and to arrive the share of interest in associates thereafter.

Profit and Loss	RML		LLL	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Total Revenue	365.07	428.40	67.62	40.58
Profit before tax	(17.72)	13.97	(31.19)	(29.52)
Tax expenses	(5.10)	(1.64)	(8.11)	(7.74)
Profit after tax	(12.62)	15.61	(23.08)	(21.78)
Share of profit in Associate / Minority Interest	103.36	88.91	-	-
Other Comprehensive Income	(0.97)	(0.78)	0.07	(0.01)
Total Comprehensive Income	89.77	103.74	(23.01)	(21.79)

Note: The above financial information is further amended 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

Name of the material Associates	31-03-2020	31-03-2019
Ramco Industries Limited	153.74	286.82
Ramco Systems Limited	43.90	142.82
Rajapalayam Mills Limited	1.28	2.13

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₹ in Crores

Particulars	31-03-2020	31-03-2019
Share of contingent liabilities in respect of associates		
Ramco Industries Limited	7.29	6.63
Ramco Systems Limited	17.07	15.67
Rajapalayam Mills Limited	0.06	0.05
Lynks Logistics Limited	-	-
Madurai Trans Carrier Limited	0.78	-

Reconciliation to the carrying amount of investment in associates

Particulars	RIL		RSL	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Entity's TCI	165.89	175.44	27.32	22.51
Entity's Adjusted TCI	61.52	79.12	27.32	22.51
Effective shareholding %	15.56%	15.56%	19.56%	19.57%
Associates share of TCI	9.58	12.32	5.34	4.40
Less: Unrealised profit on inter-company transactions (net of tax)	0.06	0.06	0.53	0.27
Amount recognised in P & L	9.52	12.26	4.81	4.13
Reconciliation				
Opening Carrying amount	94.08	80.41	125.93	120.91
Add: Acquisition of shares during the year	-	2.02	-	0.62
Add: Associates share of TCI	9.58	12.32	5.34	4.40
Less: Dividend received	1.34	0.67	-	-
Net Carrying amount	102.32	94.08	131.27	125.93

Particulars	RML		LLL	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Entity's TCI	89.77	103.74	(23.01)	(21.79)
Entity's Adjusted TCI	6.46	25.28	(23.01)	(21.79)
Effective shareholding %	0.61%	0.61%	46.43%	49.54%
Associates share of TCI [Refer Note(c) below]	0.04	0.16	(10.63)	(10.78)
Less: Unrealised profit on inter-company transactions (net of tax)	-	-	-	-
Amount recognised in P & L	0.04	0.16	(10.63)	(10.78)
Reconciliation				
Opening Carrying amount	1.38	1.23	6.91	5.99
Add: Acquisition of shares during the year	-	-	15.00	11.70
Add: Associates share of TCI	0.04	0.16	(10.63)	(10.78)
Less: Dividend received	0.01	0.01	-	-
Net Carrying amount	1.41	1.38	11.28	6.91

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 ₹ 0.05 Crores (PY: ₹ 0.01 Crores) in respect of Lynks Logistics Limited for the year ended 31-03-2020*

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associate are furnished below:

Aggregate amounts of Group's share of :	31-03-2020	31-03-2019
Profit after tax	(0.08)	(0.06)
Other Comprehensive Income	(0.00)	(0.01)
Total comprehensive Income	(0.08)	(0.07)

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52. Earnings per Share

₹ in Crores

Particulars	31-03-2020	31-03-2019
Basic Earnings per Share		
Net profit after tax (A)	604.14	510.72
Weighted average number of Equity shares including un-allotted Bonus shares after deducting treasury shares (B) [In Crores]	22.80	22.81
Nominal value per equity share (in ₹)	1	1
Basic Earnings per share (A)/(B) in ₹	**26**	**22**
Diluted Earnings Per Share		
Weighted average number of Equity shares including un-allotted Bonus shares after deducting treasury shares (B) [In Crores]	22.80	22.81
Potential Equity shares upon exercise of options [In Crores]	0.05	-
Weighted average number of Equity shares including un-allotted Bonus share for computing Dilutive EPS (C) [In Crores]	22.85	22.81
Diluted Earnings per Share (A) / (C) in ₹	**26**	**22**

Note: Treasury shares of 0.78 Crore shares (PY: 0.78 Crore shares) computed based on holdings through fellow associates.

53. 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 2020:

(a) Associates

Name of the Company	Principal Place of business / Country of Incorporation	% of Shareholding / Ownership interest as at	
		31-03-2020	31-03-2019
Ramco Industries Limited	India	15.53	15.53
Ramco Systems Limited	India	19.56	19.57
Rajapalayam Mills Limited	India	0.35	0.35
Madurai Trans Carrier Limited	India	29.86	29.86
Lynks Logistics Limited	India	46.43	49.53

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

Name of the Key Management Personnel	Designation
P.R. Venketrama Raja	Chairman and Managing Director
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.F. Farooqui	Independent Director
M.S.Krishnan	Independent Director (w.e.f 03-09-2019)

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for the year ended 31st March 2020

(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
R. Nalina Ramalakshmi	Sister of P.R.Venketrama Raja
S. Sharada 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	Shri Vishnu Shankar Mill Limited
JKR Enterprise Limited	Sudharsanam Investments Limited
Ramco Management Private Limited	

(e) Public Limited Company in which a Director is a Director and holds along with his relatives more than 2% of its paid up share capital (Section 2(76)(v) of Companies Act, 2013)

Coromandel Engineering Company Limited

(f) Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instruction of a Director or Manager (Section 2(76)(vi) of Companies Act, 2013)

Coromandel International Limited

(g) 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

(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	

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

(a) Transactions during the year at Arm's length basis or its equivalent

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
1	**Sale of Goods – Cement**		
	Associates		
	Ramco Industries Limited	11.23	16.14
	Rajapalayam Mills Limited	0.10	0.07
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sandhya Spinning Mill Limited	0.01	0.01
	Sri Harini Textiles Limited	0.00	0.00
	The Ramaraju Surgical Cotton Mills Limited	0.05	0.05
	Rajapalayam Textile Limited	0.01	0.00
	Sri Vishnu Shankar Mill Limited	0.03	0.04
	JKR Enterprise Limited	-	0.00
	Other entities over which there is a significant influence		
	Gowrihouse Metal Works	-	0.01
	Sudarsanam Estate	0.01	-
	Relative of Key Management Personnel		
	R. Sudarsanam	0.02	-
	Total	**11.46**	**16.32**
2	**Sale of Goods – Flyash**		
	Associates		
	Ramco Industries Limited	-	0.08
	Total	**-**	**0.08**
3	**Purchase of Goods – Fibre Sheet and Silicate Boards, Packing materials & Raw materials**		
	Associates		
	Ramco Industries Limited	0.37	0.30
	Related Party as per Section 2(76)(vi) of Companies Act, 2013		
	Coromandel International Limited	5.44	12.82
	Total	**5.81**	**13.12**
4	**Purchase of Goods - Diesel and Petrol**		
	Other entities over which there is a significant influence		
	Smt. Lingammal Ramaraju Shastra Prathishta Trust	0.31	0.29
	PACR Sethuramammal Charity Trust	0.65	0.66
	Ramco Welfare Trust	0.67	0.63
	PAC Ramasamy Raja Centenary Trust	0.11	0.13
	PACR Sethuramammal Charities	0.17	0.32
	Total	**1.91**	**2.03**
5	**Purchase of Goods – Magazine**		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	0.27	0.27
	Total	**0.27**	**0.27**

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for the year ended 31st March 2020

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
6	**Purchase of Goods - Stores and Spares**		
	Other entity over which there is a significant influence		
	R. Sudarsanam & Co.	0.10	0.05
	Companies over which KMP / Relatives of KMP exercise significant influence		
	The Ramaraju Surgical Cotton Mills Limited	0.00	0.00
	Total	**0.10**	**0.05**
7	**Receiving of Services – Advertisement / Workshop / Sponsorship / AMC**		
	Associates		
	Ramco Industries Limited	0.07	-
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	0.13	0.06
	Total	**0.20**	**0.06**
8	**Receiving of Services – Software Related Services / Consulting Services**		
	Associates		
	Ramco Systems Limited	25.35	17.20
	Total	**25.35**	**17.20**
9	**Receiving of Services – Aircraft Charter Services**		
	Associates		
	Madurai Trans Carrier Limited	20.05	18.54
	Total	**20.05**	**18.54**
10	**Usage charges received for Power Consumed by virtue of Joint Ownership of Shares with APGPCL**		
	Associates		
	Rajapalayam Mills Limited	0.01	0.03
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mill Limited	-	0.02
	Sandhya Spinning Mill Limited	-	0.01
	Sri Harini Textiles Limited	0.02	0.03
	The Ramaraju Surgical Cotton Mills Limited	0.02	0.03
	Total	**0.05**	**0.12**
11	**Leasing Arrangements – Rent Received**		
	Associates		
	Ramco Systems Limited	9.30	8.51
	Ramco Industries Limited	0.21	0.12
	Rajapalayam Mills Limited	0.00	0.00
	Madurai Trans Carrier Limited	0.01	-
	Lynks Logistics Limited	0.88	0.79
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sandhya Spinning Mill Limited	0.01	0.00
	Sri Harini Textiles Limited	0.01	0.00
	Sri Vishnu Shankar Mill 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	0.50	0.48
	PAC Ramasamy Raja Centenary Trust	0.02	0.06
	Shri Abhinava Vidya Theertha Seva Trust	0.01	0.01
	The Ramco Cements Educational and Charitable Trust	0.00	-
	Total	**10.95**	**9.97**

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
12	**Leasing Arrangements – Rent Paid**		
	Associates		
	Ramco Industries Limited	0.13	0.08
	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**	**0.15**
13	**Dividend received**		
	Associates		
	Ramco Industries Limited	1.34	0.67
	Rajapalayam Mills Limited	0.01	0.01
	Total	**1.35**	**0.68**
14	**Dividend Paid**		
	Key Management Personnel		
	P.R. Venketrama Raja	1.07	0.58
	A.V. Dharmakrishnan	0.02	0.01
	S. Vaithiyanathan	0.00	0.00
	Relative of Key Management Personnel		
	A.V. Dharmakrishnan (HUF)	0.01	0.00
	R. Sudarsanam	0.71	0.39
	R. Nalina Ramalakshmi	1.07	0.58
	S. Sharada Deepa	1.07	0.58
	Associates		
	Ramco Industries Limited	27.24	14.79
	Rajapalayam Mills Limited	18.19	9.87
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mill Limited	1.88	1.17
	The Ramaraju Surgical Cotton Mills Limited	1.99	1.09
	Sudharsanam Investments Limited	1.64	0.89
	Ramco Management Private Limited	0.26	0.14
	Total	**55.15**	**30.09**
15	**Remuneration to Key Management Personnel (Other than Sitting Fees)**		
	P.R.Venketrama Raja	40.91	37.17
	A.V. Dharmakrishnan	14.38	13.31
	S. Vaithiyanathan	1.54	1.34
	K. Selvanayagam	1.14	1.01
	Total	**57.97**	**52.83**
16	**Directors' Sitting Fees**		
	Key Management Personnel		
	P.R. Venketrama Raja	0.11	0.09
	A.V. Dharmakrishnan	0.01	0.01
	S. Vaithiyanathan	0.01	0.01
	K. Selvanayagam	0.01	0.00
	R.S. Agarwal	0.10	0.08
	M.B.N. Rao	0.09	0.08

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for the year ended 31st March 2020

₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
	M.M. Venkatachalam	0.11	0.07
	M.F. Farooqui	0.04	0.05
	Smt. Justice Chitra Venkataraman (Retd.)	0.07	0.06
	M.S. Krishnan	0.03	-
	Total	**0.58**	**0.45**
17	**Purchase of Fixed Assets / Receiving of Capital Goods / Services**		
	Associates		
	Ramco Industries Limited	-	0.10
	Related Party as per Section 2(76)(v) of Companies Act, 2013		
	Coromandel Engineering Company Limited	13.66	9.90
	Total	**13.66**	**10.00**
18	**Sale of Fixed Assets**		
	Associates		
	Rajapalayam Mills Limited	0.00	-
	Total	**0.00**	**-**
19	**Interest Received / (Paid)**		
	Key Management Personnel		
	P.R. Venketrama Raja - Interest Rate - 3.70% (PY: 6.70%)	(0.15)	(0.18)
	Associates		
	Madurai Trans Carrier Limited – Interest Rate - 10%	0.14	-
	Total	**(0.01)**	**(0.18)**
20	**CSR / Donations given**		
	Other entities over which there is a significant influence		
	PAC Ramasamy Raja Centenary Trust	-	1.44
	PAC Ramasamy Raja Education Charity Trust	0.18	-
	The Ramco Cements Limited Educational and Charitable Trust	0.05	0.05
	Raja Charity Trust	0.12	0.06
	Total	**0.35**	**1.55**
21	**Contribution to Superannuation Fund / Gratuity Fund**		
	Employee Benefit Funds where Control Exists		
	The Ramco Cements Limited Officers' Superannuation Fund	8.92	7.68
	The Ramco Cements Limited Employees' Gratuity Fund	8.39	6.95
	Ramco Industrial and Technology Services Limited Employees' Gratuity Trust	0.21	0.27
	Total	**17.52**	**14.90**
22	**Investment in Equity Shares during the year**		
	Associates		
	Ramco Industries Limited	-	2.02
	Ramco Systems Limited	-	0.62
	Lynks Logistics Limited	15.00	11.70
	Total	**15.00**	**14.34**
23	**Maximum amount of loans outstanding during the year**		
	Associates		
	Madurai Trans Carrier Limited	9.65	-
	Total	**9.65**	**-**

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₹ in Crores

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
24	**Rendering of Services – supply of manpower, Information Technology and other services**		
	Associates		
	Ramco Systems Limited	5.01	1.70
	Madurai Trans Carrier Limited	0.26	-
	Other entities over which there is a significant influence		
	The Ramco Cements Limited Educational and Charitable Trust	0.05	-
	Total	**5.32**	**1.70**
25	**Sale of Electrical Energy**		
	Associates		
	Rajapalayam Mills Limited	4.19	4.40
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	3.19	3.36
	Sandhya Spinning Mill Limited	0.77	0.81
	Sri Vishnu Shankar Mill Limited	3.10	3.25
	The Ramaraju Surgical Cotton Mills Limited	3.10	3.26
	Total	**14.35**	**15.08**

(b) Transactions during the year not on Arm's length basis

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2020	31-03-2019
1	**Sale of Goods – Cement**		
	Other entities over which there is a significant influence		
	Raja Charity Trust	0.02	0.03
	PAC Ramasamy Raja Education Charity Trust	0.01	0.11
	PACR Sethuramammal Charities	0.01	-
	PACR Sethuramammal Charity Trust	0.01	0.00
	Ramco Welfare Trust	0.01	-
	PAC Ramasamy Raja Centenary Trust	0.00	-
	Total	**0.06**	**0.14**

(c) Outstanding balances including commitments

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2020	31-03-2019
1	**Trade Receivables**		
	Associates		
	Ramco Industries Limited	-	1.15
	Ramco Systems Limited	0.27	0.10
	Total	**0.27**	**1.25**

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for the year ended 31st March 2020

₹ in Crores

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2020	31-03-2019
2	**Loans and Advances**		
	Associates		
	Ramco Industries Limited	0.05	0.05
	Madurai Trans Carrier Limited	18.57	8.92
	Related Party as per Section 2(76)(v) of Companies Act, 2013		
	Coromandel Engineering Company Limited	-	0.60
	Other entities over which there is a significant influence		
	Smt. Lingammal Ramaraju Shastra Prathishta Trust	1.16	0.99
	PACR Sethuramammal Charity Trust	1.35	1.53
	Ramco Welfare Trust	1.11	0.96
	PAC Ramasamy Raja Centenary Trust	0.66	0.33
	Shri Abhinava Vidya Theertha Seva Trust	0.02	-
	Total	**22.92**	**13.38**
3	**Borrowings**		
	Key Management Personnel		
	P.R. Venketrama Raja	1.39	2.07
	Total	**1.39**	**2.07**
4	**Security Deposits received by virtue of Joint Ownership of shares with APGPCL**		
	Associates		
	Rajapalayam Mills Limited	-	0.13
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Harini Textiles Limited	0.12	0.12
	The Ramaraju Surgical Cotton Mills Limited	0.11	0.11
	Total	**0.23**	**0.36**
5	**Security Deposit received towards lease arrangement**		
	Associates		
	Ramco Industries Limited	0.08	0.08
	Lynks Logistics Limited	0.01	0.01
	Madurai Trans Carrier Limited	0.01	-
	Total	**0.10**	**0.09**
6	**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**
7	**Trade Payables**		
	Associates		
	Ramco Systems Limited	0.03	-
	Related Party as per Section 2(76)(v) of Companies Act, 2013		
	Coromandel Engineering Company Limited	1.04	-
	Total	**1.07**	**-**

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 loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Group are furnished below:*

Particulars	*As at 31-03-2020*	*As at 31-03-2019*
Raja Charity Trust	*20.40*	*27.84*

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

₹ in Crores

Particulars	31-03-2020	31-03-2019
Short – Term Benefits	57.96	52.73
Defined Contribution Plan	0.59	0.55
Fair value of ESOP given to KMPs	Note (c) below	
Defined Benefit Plan / Other Long-term benefits	Note (d) below	
Total	**58.55**	**53.28**

Notes

(a) *Short-Term Benefits comprises of salaries, bonus, sitting fees, and value of perquisites excluding ESOP.*

(b) *Defined Contribution Plan comprises of contribution to Provident fund and Superannuation fund*

(c) *The Group has granted an aggregate of 2,69,000 stock options to KMPs, which is due for vesting on 6th August 2020 and exercisable on or before 31st December 2021. The pro-rated fair value of ESOP given to KMPs for the period upto 31-03-2020 of ₹ 11.31 Crores (PY: Nil) is expensed in the Statement of Profit and Loss.*

(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.*

55 Disclosure of Fair value measurements

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

Financial Instruments by category

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2020					
Financial Assets					
Other Investments	-	0.42	25.19	25.61	25.61
Loans	57.89	-	-	57.89	57.89
Trade Receivables	527.63	-	-	527.63	527.63
Cash and Bank Balances	94.15	-	-	94.15	94.15
Other Financial Assets	122.98	-	-	122.98	122.98
Financial Liabilities					
Borrowings	2,632.40	-	-	2,632.40	2,632.40
Trade Payables	342.98	-	-	342.98	342.98
Other Financial Liabilities	1,068.06	-	-	1,068.06	1,068.06
As at 31-03-2019					
Financial Assets					
Other Investments	-	0.54	26.14	26.68	26.68
Loans	43.86	-	-	43.86	43.86
Trade Receivables	490.07	-	-	490.07	490.07
Cash and Bank Balances	94.83	-	-	94.83	94.83
Other Financial Assets	111.01	-	-	111.01	111.01
Financial Liabilities					
Borrowings	1,430.51	-	-	1,430.51	1,430.51
Trade Payables	258.36	-	-	258.36	258.36
Other Financial Liabilities	932.39	-	-	932.39	932.39

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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:

₹ in Crores

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investments in listed equity securities				
As at 31-03-2020	3.06	-	-	3.06
As at 31-03-2019	4.01	-	-	4.01
Investment in unlisted securities				
As at 31-03-2020	-	-	22.13	22.13
As at 31-03-2019	-	-	22.13	22.13
Financial Instruments at FVTPL				
Investment in mutual funds				
As at 31-03-2020	0.42	-	-	0.42
As at 31-03-2019	0.54	-	-	0.54

Notes

(a) There were no transfers between level 1 and level 2 fair value measurement during the year ended 31-03-2020 and 31-03-2019

(b) There were no movements in the financial instruments categorized under Level 3 during the year ended 31-03-2020 and 31-03-2019

Valuation techniques used to determine the fair value

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

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

Note: There were no significant inter-relationships between unobservable inputs that materially affect fair values

56. 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

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.

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. 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:

₹ in Crores

As at 31-03-2020	Not Due	Less than 90 days	90 to 180 days	More than 180 days	Total
Gross carrying amount	342.58	26.93	15.56	149.16	534.23
Expected Loss Rate	0.01%	0.25%	2.96%	4.05%	1.24%
Expected Credit Losses	0.03	0.07	0.46	6.04	6.60
Carrying amount of trade receivables net of impairment	342.55	26.86	15.10	143.12	527.63

As at 31-03-2019	Not Due	Less than 90 days	90 to 180 days	More than 180 days	Total
Gross carrying amount	354.77	28.00	14.01	100.22	497.00
Expected Loss Rate	0.03%	0.50%	4.50%	6.04%	1.39%
Expected Credit Losses	0.11	0.14	0.63	6.05	6.93
Carrying amount of trade receivables net of impairment	354.66	27.86	13.38	94.17	490.07

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.

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.

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Financial arrangements

The Group has access to the following undrawn borrowing facilities:

₹ in Crores

Particulars	31-03-2020	31-03-2019
Expiring within one year		
Bank Overdraft and other facilities	795.00	635.57
Term Loans	400.00	175.25
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

Nature of Financial Liability	< 1 Year	1 – 5 Years	>5 years	Total
As at 31-03-2020				
Borrowings from Banks, NCDs, Director	1,128.06	1,597.83	20.00	2,745.89
Soft Loan from Government	-	110.77	42.27	153.04
Deferred Sales Tax Liability	63.69	73.09	8.31	145.09
Trade payables	342.98	-	-	342.98
Security Deposits payable	463.99	-	-	463.99
Other Financial Liabilities	204.32	1.80	6.26	212.38
As at 31-03-2019				
Borrowings from Banks, NCDs, Director	835.99	425.81	-	1,261.80
Soft Loan from Government	-	80.75	69.31	150.06
Deferred Sales Tax Liability	99.75	136.78	8.31	244.84
Trade payables	258.36	-	-	258.36
Security Deposits payable	559.94	-	-	559.94
Other Financial Liabilities	166.04	-	-	166.04

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
USD in Millions			
As at 31-03-2020	5.48	0.22	-
As at 31-03-2019	11.33	-	-
EURO in Millions			
As at 31-03-2020	2.61	-	-
As at 31-03-2019	3.06	-	-
JPY in Millions			
As at 31-03-2020	19.57	-	-
As at 31-03-2019	-	-	-
LKR in Millions			
As at 31-03-2020	95.36	233.84	25.28
As at 31-03-2019	64.42	270.72	58.09

Risk sensitivity on foreign currency fluctuation

₹ in Crores

Foreign Currency	31-03-2020		31-03-2019	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	(-) 0.40	0.40	(-) 0.78	0.78
EURO	(-) 0.22	0.22	(-) 0.24	0.24
JPY	(-) 1.36	1.36	-	-
LKR	0.41	(-) 0.41	0.67	(-) 0.67

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

Particulars	31-03-2020	31-03-2019
Variable rate borrowings	1,552.22	563.22
Fixed rate borrowings	1,326.78	828.86
Interest free borrowings	145.09	244.84

The Group does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation

Total Interest Cost works out to	31-03-2020	31-03-2019
1% Increase in Interest Rate	86.86	53.99
1% Decrease in Interest Rate	55.82	48.85

57. Impact of COVID-19

In view of the lock-down declared across the country by the Central / State Governments due to COVID-19 pandemic during second half of March 2020, the Group's operations at all locations were adversely impacted. The operations have since resumed in a phased manner during April / May 2020 in accordance with the guidelines issued by the relevant regulatory authorities with regard to adhering of social distancing and following prescribed hygiene standards. The Group continues to comply with such guidelines from time to time.

The Group has sufficient liquidity / financing arrangements for the continuity of business operations. The Group is confident of its ability to service the debt / financing arrangements. The lock-down due to COVID-19 is continuing with certain relaxations in FY 2020-21 and the Group is continuing its operations with lower demand. The Group expects the demand for cement to get back to its normal levels, based on further relaxations that would be announced by the Central and State Governments, in the course of time. The Group has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long-term basis. The Group's ongoing capacity expansion program is expected to get delayed by few months because of exit of labourers from the project sites due to COVID-19. However, the Group does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts/ agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2020

The Group has exercised due care in determining its significant accounting judgements and estimates while preparing its financial statements including internal controls over financial reporting. As per the current assessment of the company, there is no material impact on the carrying values of trade receivables, inventories and other financial / non-financial assets as at the reporting date. The Group continues to closely monitor the developments in economic conditions and assess its impact. However, the final impact may differ from the current estimates made as at the date of approval of the financial statements for the year ended 31-03-2020 considering the prevailing uncertainties.

58. 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.

₹ in Crores

Particulars		31-03-2020	31-03-2019
Long Term Borrowings		1,832.34	701.18
Current maturities of Long term borrowings		391.69	206.41
Short Term Borrowings		800.06	729.33
Less: Cash and Cash Equivalents		63.93	59.63
Net Debt	**(A)**	**2,960.16**	**1,577.29**
Equity Share Capital		23.56	23.56
Other Equity		4,977.79	4,513.44
Total Equity	**(B)**	**5,001.35**	**4,537.00**
Total Capital Employed	**(C) = (A) + (B)**	**7,961.51**	**6,114.29**
Capital Gearing Ratio	**(A) / (C)**	**37%**	**26%**

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 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 31-03-2020 and 31-03-2019.

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

P.R. VENKETRAMA RAJA
Chairman and Managing Director

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
19-06-2020

ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES/ASSOCIATES FOR THE YEAR 2019-20

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	₹ In Crores	As % of Consolidated profit/loss	₹ In Crores	As % of Consolidated OCI	₹ In Crores	As % of Consolidated TCI	₹ In Crores
Parent								
The Ramco Cements Limited	94.41%	4,727.29	99.27%	600.65	164.25%	(8.13)	98.73%	592.52
Subsidiaries								
Indian								
Ramco Windfarms Limited	0.25%	12.27	0.37%	2.25	-	-	0.37%	2.25
Ramco Industries and Technology Services Limited	0.24%	11.90	0.09%	0.56	(3.84%)	0.19	0.12%	0.75
Minority Interest in Subsidiary	0.11%	5.64	0.15%	0.93	(0.20%)	0.01	0.16%	0.94
Associates (Investments as per the Equity Method)								
Indian								
Ramco Industries Limited	2.04%	102.32	1.64%	9.93	8.28%	(0.41)	1.59%	9.52
Ramco Systems Limited	2.62%	131.27	0.24%	1.45	(67.88%)	3.36	0.80%	4.81
Rajapalayam Mills Limited	0.03%	1.41	0.01%	0.04	0.00%	-	0.01%	0.04
Madurai Trans Carrier Limited	0.07%	3.61	(0.01%)	(0.08)	0.00%	-	(0.01%)	(0.08)
Lynks Logistics Limited	0.23%	11.28	(1.76%)	(10.66)	(0.61%)	0.03	(1.77%)	(10.63)

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

P. SANTHANAM
Partner
Membership No. 018697

Chennai
19-06-2020

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

M. VIJAYAN
Partner
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Chairman and Managing Director

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Chief Executive Officer

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Chief Financial Officer

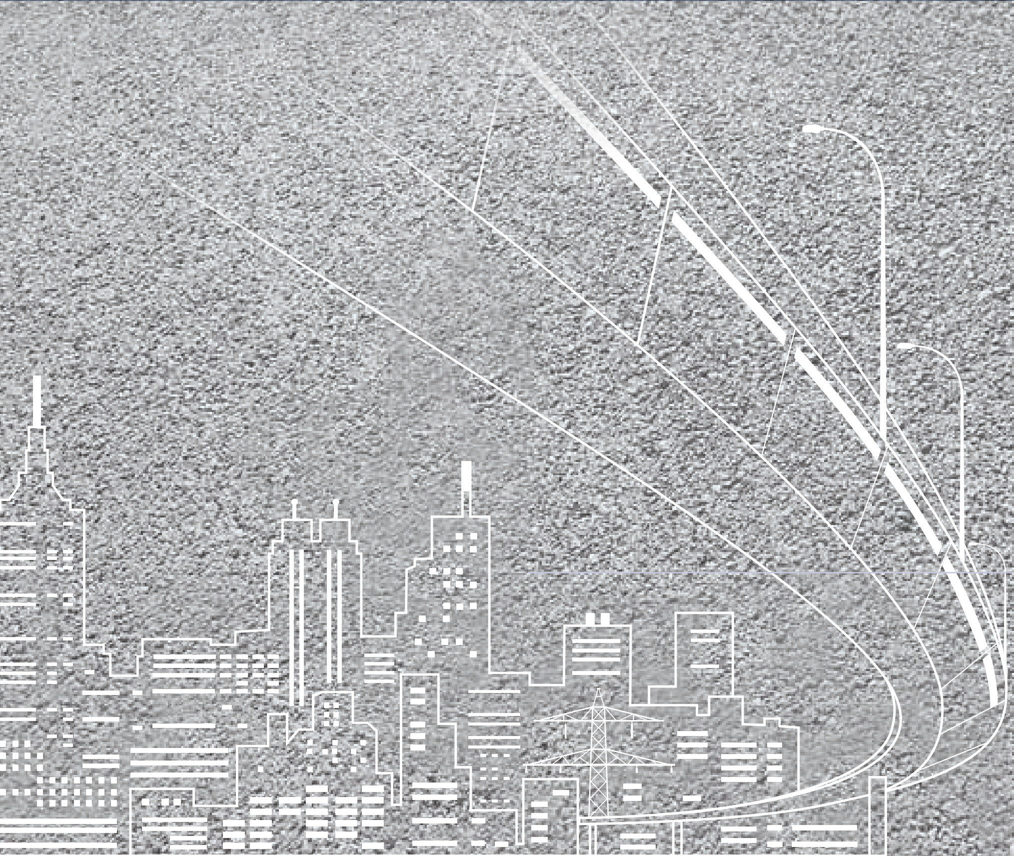
K.SELVANAYAGAM
Secretary

NOTES

NOTES

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



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RAMCO

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