

47TH ANNUAL GENERAL MEETING (2022-23)
OF
M/S. TAMIL NADU CEMENTS CORPORATION LIMITED
CHENNAI – 35



DATE : 28.12.2023

TIME : 4.00 P.M.

**VENUE : CONFERENCE HALL, INDUSTRIES,
INVESTMENT PROMOTION AND
COMMERCE DEPARTMENT,
(9TH FLOOR), SECRETARIAT,
CHENNAI – 600 009.**

TAMIL NADU CEMENTS CORPORATION LIMITED

**47TH ANNUAL GENERAL MEETING TO BE HELD ON 28TH DECEMBER 2023, AT
4.00 P.M AT CONFERENCE HALL, INDUSTRIES, INVESTMENT PROMOTION
AND COMMERCE DEPARTMENT, SECRETARIAT, CHENNAI -09.**

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TAMIL NADU CEMENTS CORPORATION LIMITED

(A GOVERNMENT OF TAMIL NADU UNDERTAKING)

Registered Office : 5th Floor, Aavin Illam, 3A, Pasumpon Muthuramalingam Salai,
Nandanam, Chennai - 600 035

Phone : 044 - 2852 5461 / 2852 5471 | Website : www.tancem.in

CIN : U40200TN1976SGC007081 | GST IN : 33AABCT1819J1ZH



NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the members of Tamil Nadu Cements Corporation Limited will be held on Thursday, the 28th day of December, 2023 at 04:00 P.M. at the Conference Hall, Industries, Investment Promotion and Commerce Department, Secretariat, Chennai- 600 009 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended **31st March 2023**, the Cash Flow Statement for the year ended **31st March 2023**, the Balance Sheet as at that date and Reports of the Board of Directors and the Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon.

2. Declaration of Dividend

To consider and to pass the following Resolution for declaration of Dividend as an ordinary resolution with or without modification

Resolved that the approval of members be and is hereby accorded for declaration of dividend at the rate of Rs.300/- per share on the Equity Share Capital of the company totaling to Rs.33,39,54,000/- for the financial year ended 31st March 2023.

3. Fixation of Auditors Remuneration:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY resolution.

RESOLVED that consent of the Company be and is hereby accorded for the payment of remuneration of Rs.4,00,000/- (Rupees Four Lakhs only) to M/s. M S K C & Associates (Firm Registration No. MD 0076), Anna Salai, Chennai - 6, Statutory Auditors besides reimbursement of actual travelling and out of pocket expenses plus applicable taxes for the FY 2023-24 subject to other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter No.CA.V/COY/TAMIL NADU/TNCEMT(1)/781 dated 20.09.2023.

SPECIAL BUSINESS

4. To consider and pass the following Resolution as an ORDINARY resolution with or without modification.

RESOLVED that the remuneration of Rs. 55,000/- (Rupees Fifty five thousand only) in addition to reimbursement of actual travelling and out of pocket expenses plus applicable taxes, payable to Thiru. G. Sugumar & Co, Cost Accountant holding membership no. 102522 allotted by the Institute of Cost Accountants of India, who was appointed as Cost Auditor of the Company for the financial year 2023-24 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) be and is hereby ratified".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution"

By Order of the Board


(R. KANNAN, IAS)
MANAGING DIRECTOR

Place: Chennai – 600 035

Date : 06.12.2023

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself. The proxy need not be a member of the company
2. A Proxy form is enclosed
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

Statement under Section 102 of the Companies Act, 2013

Item No.3:

The Board of Directors at their 311th Meeting held on 26.07.2023 have approved the appointment of Thiru. G. Sugumar & Co, holding membership no. 102522 allotted by the Institute of Cost Accountants of India to conduct the audit of the cost accounting records maintained by the Company for the year ending 31st March 2024 as per the directions issued by the Central Government and the remuneration was fixed as given in the resolution.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Accordingly, the resolution is placed before the members for consideration and approval.

Interest of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested either financially or otherwise in this resolution.

By Order of the Board


(R.KANNAN, IAS)
MANAGING DIRECTOR

Place: Chennai – 600 035

Date : 06.12.2023

M/s TAMIL NADU CEMENTS CORPORATION LIMITED
(A Government of Tamilnadu Undertaking)
Aavin Illam, 3A Pasumpon Muthuramalingam Salai, Chennai -35

CIN : U40200TN1976SGC007081

FORM No. MGT - 11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
Registered Address:

E-mail ID :
Folio No./Client ID :
DP ID:

I/We, being the members of shares of the above named company, hereby
appoint

1. Name :
Address :

E-mail ID :
Signature : or failing him

2. Name :
Address :

E-mail ID :
Signature : or failing him

3. Name :
Address :

E-mail ID :
Signature :

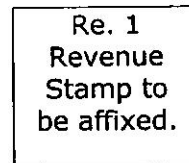
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at
the 47th Annual General Meeting / ~~Extraordinary General Meeting~~ of the Company to
be held on Thursday, the 28th of December, 2023 at 4.00 p.m at the Conference
Hall, Industries, Investment Promotion and Commerce Department, Secretariat,
Chennai -09 and at any adjournment thereof in respect of such resolutions as are
indicated below:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended **31st March 2023**, the Balance Sheet as on that date and Reports of the Board of Directors and the Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon
2. Approval for remuneration to be paid to Statutory Auditors of the Company appointed by Comptroller & Auditor General of India

Ratification of Cost Auditors remuneration to be paid to Thiru. G. Sugumar & Co., Cost Accountant.

Signed this day of 2023.

Signature of the shareholder



Signature of the proxy holder(s)

NOTE:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company not less than 48 hours before the commencement of the Meeting.

DIRECTORS' REPORT

To

The Shareholders
Tamil Nadu Cements Corporation Limited

The Directors have pleasure in presenting the Forty Seventh Annual Report and Audited Accounts of your company for the financial year ended 31st March 2023.

PART I: DISCLOSURES

1. COMPANY SPECIFIC INFORMATION

1.1 Financial Summary and Highlights

Particulars	2022-23	2021-22
	(Rs.in lakhs)	
Revenue from operations	101931.84	80307.71
Other Income	1342.93	117.08
Total Revenue	103274.77	80424.79
Profit/loss before depreciation, Finance costs, exceptional items and tax expense	24278.91	22078.06
Less: Depreciation / Amortization / Impairment	4336.38	4208.19
Profit/loss before finance costs, exceptional items and tax expense	19942.52	17870.27
Less: Finance costs	3935.48	4949.26
Profit/loss before exceptional items and tax expense	16007.04	12921.01
Add/(less): Exceptional items	(369.00)	(1151.64)
Profit/loss before tax expense	15638.04	11769.36
Less: Tax Expense (Current & Deferred)	2240.51	-
Profit/loss for the year (1)	13397.53	11769.36
Less: Comprehensive Income/Loss (2)	-	-
Total (1+2)	13397.53	11769.36
Balance of profit/loss for earlier years	(2,868.39)	(14,637.75)
Add : Adjustments	-	-
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	3339.54	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	7189.60	(2868.39)

During the year 2022-23, the company has earned a net profit of Rs.15638.04 lakhs before tax when compared to the net profit of Rs.11769.36 lakhs during the previous year 2021-22.

1.2 Amount, if any, which the Board proposed to carry to reserves

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

1.3 Dividend

Your Directors at the 313th Board Meeting held on 30/10/2023 have approved payment of dividend of Rs.300 per share on equity capital of the Company. Your Directors recommend this to be the total dividend for the year. The Company has not declared any dividend during the previous year.

The total dividend for the year amounts to Rs.3339.54 lakhs.

1.4. Major events occurred during the year

a) State of the Company's Affairs

The Unit wise production achieved during the financial year 2022-23 in comparison to the previous year 2021-22 is given hereunder:

Unit	For the period ended 31.3.2023				For the period ended 31.3.2022			
	Production (in MT)	Capacity Utilization (in %)	Sales (in MT)	Profit/Loss (Rs. in lakhs)	Production (in MT)	Capacity Utilization (in %)	Sales (in MT)	Profit/Loss (Rs. in lakhs)
Alangulam Cement Unit	3,55,160	122	3,51,935	2315.85	2,76,100	95.21	2,79,826	1,656.97
Ariyalur Cement Unit –0.5 MTPA Plant	4,88,636	98	4,85,844	3472.03	4,69,230	93.85	4,71,970	2,886.04
Ariyalur Cement Unit – 1 MTPA Plant	9,62,685	85	9,59,618	7660.95	7,29,997	64.60	7,32,896	7,338.39
Asbestos Sheet Unit	-	-	-	(20.77)	-	-	-	-11.87
Stoneware Pipe Unit	-	-	-	(65.58)	-	-	2	-36.63
Amma Cement	2,80,485	-	2,80,149	35.05	2,55,444	-	2,55,176	-63.54

The mining operations at Kallankurichi Limestone Mines at Ariyalur under mining lease G.O 456 over an extent of 194.165 ha were stopped on 19.08.2017 as per directions of Ministry of Environment, Forest and Climate Changes (MoEF&CC) vide letter no J-11015/137/2014-IA.II(M) dated 14.07.2014 and TNPCB Proceedings No.ARY0051/RS/DEE/TNPCB/ARY/2017-3 dated 24.06.2017 and resumed its operation w.e.f. 25.07.2022

The mining operations at Kallankurichi limestone at Ariyalur District under mining lease G.O.469 over an extent of 66.11 ha and under mining lease G.O.344 over an extent of 240.61 ha were stopped on 05.12.2014 as per the directions of MoEF&CC vide letter no. J-11015/135/2014-IA.II(M) dated 14.07.2014 and J-11015/137/2014-IA.II(M) dated 14.07.2014 respectively. Also, Alangulam Limestone Mines operating vide G.O.No.215 with an extent of 180.83 ha & G.O. No.427 with an extent of 268.80 ha and Gopalapuram Limestone Mines operating vide G.O.No.870 with an extent of 420.25 ha were stopped from 30.06.2017 for want of Environmental Clearance. Further,

Pandapuli Limestone Mines operating vide G.O.No.739 with an extent of 24.32 ha is not operating since 28.02.2013 for want of Environmental Clearance. TANCEM has applied for fresh Environmental Clearance and steps are being taken to commence the mining operations.

b) Change in the nature of business

As per sub-rule (5)(ii) of Rule 8 of Companies (Accounts) Rules, 2014, the Board of Directors confirm that there has not been any change in the nature of business carried on by the company during the year.

c) Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

1.5 Details of revision of financial statement or the Report

Your company has not revised its financial statements or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority.

2. GENERAL INFORMATION

2.1 Overview of the industry and important changes in the industry during the last year

Cement Industry is amongst eight core industries of India. India, with 298 million tonne (FY 2022) is the second biggest producer of cement in the worldwide next to China with over 8% of the global installed capacity in cement production as per Annual Report of Department for Promotion of Industry and Internal Trade. Cement industry plays a vital role in the growth and economic development of the country. The industry plays a crucial role in the development of the housing and infrastructure sector of the economy. It has strong linkage to other sectors such as infrastructure, construction, housing, transportation, coal, power, steel etc. It plays pivotal role in implementing various government schemes.

2.2 External environment and economic outlook during the last year

According to CMIE, Infomerics Economic Research, overall domestic production of cement stood at 351 million tonnes in Financial Year 2022 as against 375 million tonnes in Financial Year 2023, which is about 7% growth. India has potentially rich deposits of limestone in different regions of the country essentially required for cement production. In terms of installed capacity, India's Southern region (33 per cent) has the largest market share in cement production followed by North (22 per cent), East (19 per cent), West (13 per cent), and Central (13 per cent). It has 8 percent of the global installed capacity in cement production. It has a total of 210 large cement plants, out of which 77 are in the states of Andhra Pradesh, Rajasthan, and Tamil Nadu. During the pandemic, cement production was adversely affected due to intermittent lockdowns, which has now gained momentum.

India's cement industry has strong linkages with other sectors, such as, infrastructure, construction, housing, transportation, coal, power, steel, etc. The demand for cement and other building materials are expected to remain strong, driven by infrastructure-led investments and mass residential projects. Significant increase in budgetary allocations for housing (Pradhan Mantri Awas Yojana), infrastructure creation and railways are further expected to add to the momentum. It is expected that the country's cement production could grow by 6-8% in FY 2023-24.

CRISIL reports indicates that the cement industry is likely to add 145-155 MT incremental capacity in 5 fiscal years through 2027 that translates to 4-5% Compound Annual Growth Rate on a high base. A robust 6-7% Compound Annual Growth Rate expected in cement demand over this fiscals will encourage the growth in supply. Many producers have been unveiling long-term capacity growth plans in an effort to capture market share despite near term cost headwinds.

2.3 Induction of strategic and financial partners during the year

The Board of Directors informs that no strategic or financial partners have been inducted in the Company during the year.

3. CAPITAL AND DEBT STRUCTURE

There was no change in the capital structure of the company during the year including change in the authorized, issued, subscribed and paid up share capital; reclassification or sub-division of the authorized share capital; reduction of share capital or buy back of shares; change in capital structure resulting from restructuring and change in voting rights.

4. CREDIT RATING OF SECURITIES

The provisions relating to credit rating of securities do not apply as the securities are not listed.

5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The provisions of Section 125(2) of the Companies Act, 2013 and IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 do not apply as there was no amount in Unpaid Dividend Account of the Company.

6. MANAGEMENT

6.1 Directors and Key Managerial Personal

The following changes have taken place in the Board of Directors of TANCEM since the last Annual Report (2021-22)

- I. Tmt. Pooja Kulkarni, IAS was appointed as Managing Director (FAC) from 01.06.2023 to 20.06.2023 in the place of Thiru C. Kamaraj IAS as per the Orders issued by the Government of Tamil Nadu on 31.05.2023 and Thiru R Kannan, IAS was appointed as Managing Director as per the Orders issued by the Government of Tamil Nadu on 21.06.2023 in the place of Tmt. Pooja Kulkarni, IAS

- II. Tmt. Pooja Kulkarni IAS, Thiru G.K. Arun Sundar Thayalan IAS, Thiru L Nirmalraj IAS, Thiru P. Ponniah IAS and Thiru K.P Sathyamurthy were appointed as Directors as per the Orders issued by the Government of Tamil Nadu.
- III. Thiru C Kamaraj, IAS, Tmt R. Lilly IAS, Thiru Pratik Tayal IAS, Thiru J Jayakanthan IAS, Dr. Darez Ahamed, IAS and Thiru R Viswanath ceased to be Director during the year under report as per the Orders issued by the Government of Tamil Nadu.
- IV. The Directors are pleased to place on record their appreciation of the valuable services rendered by Thiru C Kamaraj, IAS, Tmt. Pooja Kulkarni IAS, Tmt R. Lilly IAS, Thiru Pratik Tayal IAS, Thiru J Jayakanthan IAS, Dr. Darez Ahamed, IAS and Thiru R Viswanath during the period under report.

6.2 Independent Directors

Dr. G Natarajan and Thiru P Krishnamurthi have been re-appointed as Independent Directors of TANCEM as per sub-section (10) of section of section 149 of Companies Act, 2013 for a period of five years with effect from 01.04.2020 with permission of Government.

6.3 Declaration by Independent Directors and statement on compliance of code of conduct

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules and included their names in the Databank as stipulated in section 149(7) of the Companies Act, 2013.

6.4 Board Meetings

The Board met 6 times during the financial year as detailed below:

S.No.	Board Meeting Number	Date of Meeting
1.	304 th Board Meeting	11.05.2022
2.	305 th Board Meeting	27.06.2022
3.	306 th Board Meeting	29.07.2022
4.	307 th Board Meeting	02.09.2022
5.	308 th Board Meeting	23.11.2022
6.	309 th Board Meeting	16.03.2023

6.5 Committees

6.5.1 Audit Committee

The composition of the Audit Committee pursuant to sec.177 of the Companies Act, 2013 is given below:

S.No.	Director	Status
(i)	Dr. G Natarajan – Independent Director	Chairman of the Committee

(ii)	Director representing Finance Department	Member
(iii)	Thiru P Krishnamurthi - Independent Director	Member

The Audit Committee met seven times during the financial year as detailed below:

S.No.	Audit Committee Number	Date of Meeting
1.	6 th Audit Meeting	10.05.2022
2.	7 th Audit Meeting	06.06.2022
3.	8 th Audit Meeting	26.07.2022
4.	9 th Audit Meeting	29.08.2022
5.	10 th Audit Meeting	20.10.2022
6.	11 th Audit Meeting	31.10.2022
7.	12 th Audit Meeting	04.03.2023

6.5.2 Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of Board of Directors was constituted. The composition of Nomination and Remuneration Committee is given below.

S.No.	Director	Status
(i)	Director representing Industries Department	Chairman of the Committee
(ii)	Director representing DRDA	Member
(iii)	Dr.G.Natarajan-Independent Director	Member
(iv)	Thiru P Krishnamurthi-Independent Director	Member

The Nomination and Remuneration Committee met twice during the financial year 21.06.2023 and 30.03.2023.

6.5.3 Corporate Social Responsibility Committee

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted the Corporate Social Responsibility (CSR) Committee with the following members

S.No.	Director	Designation
(i)	Managing Director/Chairman and Managing Director of TANCEM	Chairman of the Committee
(ii)	Director representing Geology & Mining Department	Member
(iii)	Thiru P Krishnamurthi	Independent Director

6.5.4. Risk Management Committee

The Risk Management Committee was constituted in its 305th Board Meeting held on 27th June 2022 with following members.

S.No.	Director	Designation
(i)	Chairman and Managing Director/ Managing Director	Chairman
(ii)	Director representing Finance Department	Member
(iii)	Dr. G. Natarajan, Independent Director	Member
(iv)	Senior Management of the Company	Invitees to the Risk Management Committee

The Risk Management Committee met once during the financial year 04.03.2023.

6.5.5 Tender Committee

The Tender Committee was constituted on its 308th Board Meeting held on 23rd November 2022 with following members.

SN	Name of Director	Designation
1.	Chairman & Managing Director/Managing Director, TANCEM	Chairman
2.	Director representing Rural Development and Panchayat Raj Department	Member
3.	Director representing Finance Department	Member
4.	Dr. G. Natarajan, Independent Director	Member
5.	Thiru P Krishnamurthi, Independent Director	Member

The committee met four times during the financial year 14.11.2022, 05.01.2023, 04.03.2023, 20.04.2023.

6.6 Recommendations of Audit Committee

Board has accepted all the recommendation of the Audit Committee.

6.7 Company's Policy on Directors' appointment and remuneration

Being a Government company, all the Directors are appointed by the Orders issued by the Government of Tamil Nadu. Appointment and remuneration terms are governed by Government Orders.

6.8 Board evaluation

Your company is exempt from the provisions of Section 134(3)(p) vide Notification No.G.S.R.463(E) dated 5th June 2015.

6.9 Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- a) In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors have 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 at the end of year and of the profit and loss of the company in that period.
- c) The Directors have 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) The annual accounts have been prepared for the financial year ended 31st March, 2023 on a going concern basis.
- e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.
- f) Being unlisted company, the clause that 'a company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively' is not applicable to the company

6.10 Internal Financial Controls

In accordance with the provisions of Section 134(5)(e) of the Companies Act, 2013 the Company has internal financial controls policy by means of policies and procedures commensurate with the size and nature of its operations and pertaining to financial reporting. There are operational controls and fraud risk controls, covering the entire spectrum of Internal Financial controls. The Audit Committee of the Board periodically reviews the internal audit plans and observations/recommendations of Internal as well as Statutory Auditors and assists the Board of Directors in monitoring the integrity of the financial statements, reservations, if any, expressed by the Company's auditors including, the statutory, cost, internal and secretarial auditor.

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.

6.11 Frauds reported by the Auditor

No frauds were reported by the Auditor during the year.

7 DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

8 DETAILS OF DEPOSITS

The Company has neither accepted nor renewed any deposits from the public during the year under review.

9 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

10 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no materially significant transactions with related parties during the year with Promoters, Directors, Key Managerial Personnel or other designated persons which are potentially conflicting with the interest of the Company at large. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. Accordingly,

the disclosures of Related Party Transactions required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

11 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR obligations for TANCEM pursuant to Section 135(5) of the Companies Act, 2013, for the year 2022-23 is Rs.22.26 Lakhs and there are no unspent amount for the previous year. The Company has not spent this amount during the year as suitable project could not be identified. Hence, the amount was deposited in the Tamil Nadu State Disaster Management Authority on 26.09.2023, which is an authorized fund to transfer as per Schedule VII since it is not relating to ongoing project.

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

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure and is attached to this report.

13 RISK MANAGEMENT

The role and responsibility of the Committee shall mandatorily include the following:

- (i) To formulate a detailed risk management policy which shall include: a. A framework for identification of internal and external risks faced by the company, in particular including strategic, operational, reporting, compliance and information technology risks or any other risk as may be determined by the Committee. b. Classification of risks c. assessment of identified risks d. risk measurement e. Measures for risk mitigation including systems and processes for internal control of identified risks.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
- (iv) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (v) To discharge such responsibilities as may be assigned by the Board of Directors or as may be prescribed by applicable laws, from time to time.

Risk Management Policy is available at the Company's website <https://tancem.in>

14 DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Your Company's Whistle Blower Policy and established Vigil Mechanism approved by the Board of Directors in its 306th Meeting held on July 29th 2022 is to enable the employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the policy. General Manager (Marketing) is the Corporate Ombudsperson to administer the Vigil Mechanism. The Vigil Mechanism is overseen by the Audit Committee. The Vigil Mechanism provides adequate safeguards

to the whistle blowers against any victimization. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns. It also provides a mechanism for stakeholders to approach the Chairman of Audit Committee. No Personnel has been denied access to the Audit Committee.

The Company's Whistle Blower Policy is available at the Company's website <https://tancem.in>

15 MATERIAL ORDERS OF JUDICIAL BODIES/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.

16 AUDITORS

16.1 Statutory Auditor

In terms of Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India appointed M/s. M Thomas & Co., Chartered Accountants as Statutory Auditors of the company for the financial year 2022-23.

16.2 Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the company in respect of Cement and asbestos cement sheet is required to be audited. Board of Directors had on the recommendation of the Audit Committee, appointed Thiru. G.Sugumar, Cost Accountant to audit the cost accounts of the company for the year 2022-23.

16.3 Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13(1)(b) of the Companies (Accounts) Rule 2014, M/s.R Bupathy & Co., Chartered Accountants were appointed as Internal Auditor for the Financial year 2022-23 to carry out Internal Audit of TANCEM as per TANCEM terms and conditions and to submit Internal Audit Report on quarterly basis by the Board of Directors on the recommendation of the Audit Committee.

16.4 Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Thiru.Asir Raja Selvan, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2022-23.

Opinion/Reports: The Statutory Auditors, Secretarial Auditors and Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including Rules made thereunder. The Statutory Audit Report in the prescribed format issued by Statutory Auditors is provided in this Annual Report.

17 SECRETARIAL AUDIT REPORT

The Secretarial Auditor's Report in the prescribed format issued by the Secretarial Auditors is enclosed as Annexure to the Board's Report.

18 EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

The explanations/comments made by the Board relating to the qualifications, reservations or adverse remarks made in their reports by the Auditors are furnished in Annexure and is attached to this report.

19 COMPLIANCE WITH SECRETARIAL STANDARDS

As required under Clause 9 of Secretarial Standards 1, the Board of Directors confirm that the company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Act.

20 CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There is no application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 OF 2016) during the financial year 2022-23

21 ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is furnished in Annexure - II and is attached to this report.

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 2023 has been placed on the website of the Company and the web link of such Annual Return in <https://tancem.in>

22 OTHER DISCLOSURES

As required under Rule 8(5)(ix)(d) of the Companies (Accounts) Rules, 2014, the Board of Directors confirm that the company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of Companies Act, 2013 and accordingly accounts and records are made and maintained.

23 DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules made thereunder, the Company has constituted an Internal Complaints Committee (ICC) and following are the members:-

- (i) Dr.Lakshmi Manean, Company Secretary – Presiding Officer
- (ii) Tmt. H.R.Selvakumari, Senior Manager (Per. & Admn) - Member
- (iii) Thiru A Arjunan, Chief Financial Officer – Member
- (iv) Tmt K Vijayalakshmi, Advocate

The above members are committed to the cause of women and they possess experience in social work and legal knowledge. During the year under review there were no complaints referred to this Committee.

24 PARTICULARS OF EMPLOYEES

None of the employees drew remuneration of Rs.60,00,000/- or more per annum and Rs. 5,00,000/- or more per month during the year under Report. This information is given as required under Section 197(12) of Companies Act, 2013.

25 INDUSTRIAL RELATIONS

Overall industrial relations in all the Units during the year were cordial. The Directors place on record their appreciation for the valuable contribution made by the employees of the company for better performance and growth of the company for the current year.

26 COMMENTS AND REVIEW OF THE ACCOUNTS BY THE ACCOUNTANT GENERAL

The Nil Comments of the Comptroller and Auditor General of India under Sec.143(6)(b) of the Companies Act, 2013 on the accounts of TANCEM for the financial year ended 31st March, 2023 furnished by the Principal Accountant General, Tamil Nadu is attached to this report.

27 ACKNOWLEDGEMENT

The Directors have pleasure in recording their appreciation for the assistance, co-operation and support extended to your company by the Government of Tamil Nadu, Company's Bankers, financial Institutions, various Government departments, Supplier and Customers.

The Directors also sincerely appreciate the committed efforts and contributions being made by the employees of the Company at each level.

for and on behalf of the Board

(R. Kannan, IAS)
Managing Director
DIN: 08562787

(Dr.G.Natarajan)
Independent Director
DIN: 01089846

Place : Chennai – 600 035

Date : 30.10.2023

ANNEXURE TO DIRECTORS REPORT

TAMIL NADU CEMENTS CORPORATION LIMITED, CHENNAI-600 035.

STATEMENT PURUANT TO SECTION 134(3) (C) OF THE COMPANIES ACT 2013 READ
WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy	
i. Energy Conservation Measures taken	<p>Alangulam Cement Works</p> <ol style="list-style-type: none">1. In our Plant & colony street lighting, 250Watts Sodium Vapour lamp fittings are replaced with 72watts LED street light fittings.2. In our Plant street lighting, 40Watts Tube light fittings were replaced with 25 watts LED street light fittings.3. In our Plant 250 Watts Sodium street light fittings were replaced with 40 Watts Solar LED street lights.4. Alternative switching ON of 6 nos. distribution transformers in the cement plant to conserve energy.5. Maintaining of Plant power factor <p>Ariyalur Cement Works</p> <ol style="list-style-type: none">1. As per Energy Audit recommendation we have proposed to provide VFDs for Primary Air Fan of new plant Kiln some drives in New Plant.2. Procurement of LED Fittings at New Plant Preheater, Coal Mill areas.

<p>ii. Additional investments and proposals if any, being implemented for reduction of consumption of Energy</p>	<p>Alangulam Cement Works</p> <p>i. 250watts Sodium vapour lamp street light fittings are replaced with 72watts LED fittings and hence energy consumption has been reduced from 9720 units to 2808 units.</p> <p>ii. 40 W Tube light fittings are replaced with 25 W LED street light fittings and hence energy consumption has been reduced from 4838 units to 3024 units.</p> <p>iii. 250 W Sodium street light fittings are replaced with 40 W Solar LED street light fittings & hence there is saving in energy consumption up to 3456 units per year .</p> <p>Ariyalur Cement Works</p> <p>i. Under estimate to procure VFD for 110 KW PA fan motor.</p> <p>ii. Procurement of LED Fittings Under work in progress.</p>
<p>iii. Impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on cost of production of goods</p>	<p>Alangulam Cement Works</p> <p>i. By replacing street light fitting of 250watts Sodium vapour lamp with 72watts LED fittings, power consumption has been reduced and we have saved an amount of Rs.47,692/- per year.</p> <p>ii. By replacing street light fitting of 40 W Tube light fittings with 25 W LED street light fittings, Power consumption has been reduced and we have saved an amount of Rs.12,517/- per year.</p> <p>iii. By switching OFF 5 nos. distribution transformers to avoid transformer loss and thereby saving of approx.1,050 KW hours per day (Appx.)</p>
<p>iv. Total Energy Consumption and energy consumption per unit of production as per Form-A of the annexure in respect of industries specified in schedule thereto.</p>	<p>Particulars as per Form- A</p>

B. Technology Absorption		
v. Efforts made in Technology Absorption as per Form-B of the Annexure	NIL	
C. Foreign Exchange Earning and outgo		
vi. Activities relating to exports; initiatives taken to increase export; development of new export markets for products and services; and export plans.	NIL	
	2022-23	2021-22
vii. Total foreign exchange used	--	--
viii. Total foreign exchange earned	--	--

ANNEXURE TO DIRECTORS REPORT

TAMILNADU CEMENTS CORPORATION LIMITED, CHENNAI-600 035

FORM-A

Particulars

1.ELECTRICITY:

a. Purchased:

Alangulam			0.5 MTPA Plant, Ariyalur		
	2022-23	2021-22		2022-23	2021-22
Unit (KWH)	12086622	9996411	Unit (KWH)	17679000	17894000
Total Amount (Rs. in lakhs)	1026	801	Total Amount (Rs. in lakhs)	1235.72	1526.34
Cost/Unit (Rs./KWH)	8.49	8.01	Cost/Unit (Rs./KWH)	7.01	8.56

1 MTPA plant, Ariyalur			TNA., Alangulam		
	2022-23	2021-22		2022-23	2021-22
Unit (KWH)	89393200	77759400	Unit (KWH)	Nil	Nil
Total Amount (Rs. in lakhs)	6993.13	5641.93	Total Amount (Rs. in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	7.83	7.26	Cost/Unit (Rs./KWH)	Nil	Nil

Stone Ware Pipe		
	2022-23	2021-22
Unit (KWH)	Minimum Charges	Minimum Charges
Total Amount (Rs. in lakhs)	7.44	5.02
Cost/Unit (Rs./KWH)	NIL	NIL

b. Own Generation:

i. Through Diesel Generator:

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur		TNA Alangulam	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Unit Generated (KWH)	Nil	Nil	32880	10920	14240	4581	Nil	Nil
Units per litre of diesel	Nil	Nil	2.83	2.35	2.64	1.77	Nil	Nil
Cost/Unit (Rs/KWH)	Nil	Nil	33.75	38.26	36.19	55.65	Nil	Nil

Particulars	Stoneware Pipe	
	2022-23	2021-22
Unit Generated (KWH)	Nil	Nil
Total Amount (Rs.in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil

ii. Through Steam:

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur		TNA Alangulam	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Unit Generated (KWH)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Amount (Rs.in lakhs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Stoneware Pipe	
	2022-23	2021-22
Unit Generated (KWH)	Nil	Nil
Total Amount (Rs.in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil

2. COAL (Indigenous):

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur		TNA Alangulam	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Quantity (Tonnes)	Nil	Nil	Nil	Nil	131726	157092.58	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	Nil	Nil	12241.28	12550.23	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil	Nil	Nil	9292.99	7989.07	Nil	Nil

3. COAL (Imported):

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur		TNA Alangulam	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Quantity (Tonnes)	Nil	Nil	Nil	Nil	33402	230	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	Nil	Nil	5658.37	16.24	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil	Nil	Nil	16940.22	7060.14	Nil	Nil

4. CASHEW NUT:

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Quantity (Tonnes)	Nil	Nil	Nil	Nil	8775.70	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	Nil	Nil	879.03	Nil
Average Rate (Rs./MT)	Nil	Nil	Nil	Nil	10016.73	Nil

5. LIGNITE:

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Quantity (Tonnes)	Nil	Nil	Nil	Nil	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	Nil	Nil	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil	Nil	Nil	Nil	Nil

6. PETCOKE:

Particulars	1 MTPA Plant, Ariyalur	
	2022-23	2021-22
Quantity (Tonnes)	452	Nil
Total Amount (Rs. in lakhs)	86.48	Nil
Average Rate (Rs./MT)	19132.93	Nil

7. GROUND NUT SHELL:

Particulars	1 MTPA Plant, Ariyalur	
	2022-23	2021-22
Quantity (Tonnes)	6.30	Nil
Total Amount (Rs. in lakhs)	0.32	Nil
Average Rate (Rs./MT)	5107.02	Nil

8. CARBON DUST AFR

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Quantity (Tonnes)	Nil	Nil	Nil	Nil	196.60	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	Nil	Nil	28.91	Nil
Average Rate (Rs./MT)	Nil	Nil	Nil	Nil	14706.99	Nil

9. MUNICIPAL SOLID WASTE:

Particulars	Alangulam		0.5 MTPA Plant, Ariyalur		1 MTPA plant, Ariyalur	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Quantity (Tonnes)	Nil	Nil	Nil	Nil	217.40	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	Nil	Nil	4.47	Nil
Average Rate (Rs./MT)	Nil	Nil	Nil	Nil	2056.16	Nil

10. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	Alangulam				0.5 MTPA Plant, Ariyalur			
	2022-23		2021-22		2022-23		2021-22	
	Std If any	Actual Std If any	Std If any	Actual Std If any	Std If any	Actual Std If any	Std If any	Actual Std If any
Electricity (KWs/MT)	34.10	32.40	36.00	34.09	35.00	33.47	39.50	34.79
Coal Qty in % per MT of Clinker	0.00	0.00	0.00	0.00	-	-	-	-

Particulars	1 MTPA plant, Ariyalur				Stone Ware Pipe			
	2022-23		2021-22		2022-23		2021-22	
	Std If any	Actual Std If any	Std If any	Actual Std If any	Std If any	Actual Std If any	Std If any	Actual Std If any
Electricity (KWs/MT)	65.02	63.88	66	66.46	Nil	Nil	Nil	Nil
Coal Qty in % per MT of Clinker	16	16.39	15	16.13	Nil	Nil	Nil	Nil

ANNEXURE TO DIRECTORS REPORT

TAMIL NADU CEMENTS CORPORATION LIMITED, CHENNAI-600 035.

FORM-B

Form for Disclosure of Particulars with respect to Absorption

Research and Development (R&D)

1. Specific areas in which R&D carried out by the company	NIL
2. Benefits derived as a result of the above R&D	NIL
3. Future Plan of Action	NIL
4. Expenditure of R&D a. Capital b. Recurring Z c. Total d. Total R&D Expenditure as a % of Total Turnover	NIL

Technology, Absorption, Adaption and Innovation:

1. Efforts, in brief, made towards Technology, Absorption, Adaption and Innovation	NIL
2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitutions etc.	NIL
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: a. Technology imported b. Year of import c. Has technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.	NIL

ANNEXURE

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2022-23

1. A brief outline of the company's CSR policy.

The Corporate Social Responsibility Committee shall carry out the following functions.

- a. Formulate and recommend CSR activities to the Board
- b. Recommend the amount of expenditure to be incurred on CSR activities
- c. Ensure implementation of activities taken up under CSR program
- d. Monitor the CSR Policy of the Company from time to time.
- e. Institute a transparent monitoring mechanism for implementation of the activities undertaken by the Company.

2. The composition of the CSR Committee.

Sl. No.	Name of Director	Designation / Nature of Directorship
1.	R Kannan, IAS	Chairman of the Committee/ Executive & Non-Independent Director
2.	L Nirmalraj, IAS	Member of the Committee/ Non - Executive & Non-Independent Director
3.	P Krishnamurthi	Member of the Committee/ Non - Executive & Independent Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Web link for composition of CSR committee: <https://www.tancem.in/bod.php>

Web link for CSR Policy: <https://www.tancem.in/compliance.php>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. (a) Average net profit of the company as per section 135(5) Rs. 1112.67 Lakhs

- (b) Prescribed CSR Expenditure (2% of amount as in item 3 above): Rs.22.26 Lakhs
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL
- (d) Amount required to be set off for the financial year, if any : NIL
- (e) Total CSR obligation for the financial year (7a+7b-7c) : Rs.22.26 Lakhs

6. (a) Amount spent on CSR Projects (both ongoing & other than ongoing project): NIL
- (b) Amount spent in Administrative Overheads : NIL
- (c) Amount spent on Impact Assessment, if applicable : NIL
- (d) Total amount spent for the Financial Year (a+b+c): NIL
- (e) CSR amount spent or unspent for the financial year: Rs.22.26 Lakhs

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount Rs.	Date of transfer
NIL	NIL	NA	Tamil Nadu State Disaster Management Authority (TNSDMA)	22,26,000	26.09.2023

- (f) Excess amount for set off, if any

S.N.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2019-20	NIL	NA	NA	NA	NA	NA
2.	2020-21	NIL	NA	NA	NA	NA	NA
3.	2021-22	NIL	NA	NA	NA	NA	NA
	Total						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility Amount spent in the Financial Year : ~~Yes~~ / No
9. Specify the reason(s), if the company has failed to spend 2% of the Average Net Profit as per Section 135(5) : Not Applicable

for and on behalf of the Board

(R. Kannan, IAS)
Managing Director
DIN: 08562787

(Dr.G.Natarajan)
Independent Director
DIN: 01089846

Place : Chennai – 600 035
Date : 30.10.2023

ASIR RAJA SELVAN, FCA, ACS, B.L.,
ARS & Co.,
Company Secretaries in Practice
Insolvency Professional,
Registered Valuer (S & FA),
Certified Forensic Auditor &
Social Auditor

New No.39, (Old No.13), Anna Main Road,
MGR Nagar, K.K.Nagar,
Chennai - 600078.
Off Tel : 45536036, 8903003636
Email : asir.cs@gmail.com / asir@arsindia.com

Annexure - C

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31.03.2023

To
The Members,
Tamil Nadu Cements Corporation Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tamil Nadu Cements Corporation Limited (Hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and Returns filed and other records maintained by Tamil Nadu Cements Corporation Limited for the financial year ended on 31.03.2023 according to the provisions of:

- (i) The Companies Act, 2013 (the "**Act**") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under; (**Not Applicable**)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (**Not Applicable**)
- (iv) 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; (**Not Applicable**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"): (**Not Applicable**)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



**ASIR RAJA SELVAN, FCA, ACS, B.L.,
ARS & Co.,
Company Secretaries in Practice
Insolvency Professional,
Registered Valuer (S & FA),
Certified Forensic Auditor &
Social Auditor**

New No.39, (Old No.13), Anna Main Road,
MGR Nagar, K.K.Nagar,
Chennai - 600078.
Off Tel : 45536036, 8903003636
Email : asir.cs@gmail.com / asir@arsindia.com

-
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Other laws specifically applicable to this Company are as follows:
- (a) The Mines Act, 1952 & Mines & Minerals (Development and Regulation) Act 1957 (MMDR Act)
- (b) Factories Act, 1948 and allied State laws.
- (c) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
- (d) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
- (e) Environment Protection Act, 1986 and the rules, notifications issued thereunder.
- (f) Labour laws including Factories Act, 1947, Payment of Wages (Amendment) Act 2017, Industrial Disputes Act, 1947, The Minimum Wages Act, 1948, The Employees' State Insurance Act, 1948, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Maternity Benefit (Amendment) Act 2017, The Payment of Bonus (Amendment) Act 2015, The Contract Labour (Regulation and Abolition) Act, 1970, The Payment of Gratuity Act, 1972, The Bonded Labour System (Abolition) Act, 1976, The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, The Industrial Employment (Standing Orders) Act, 1946, and The Sexual Harassment of Women at Workplace Act -2013
- (g) Goods & Service Tax Act, 2017
- (h) Income Tax Act, 1961
- (i) Customs Act, 1962

I have also examined compliance with the applicable clauses of the following:

- (i) Listing Agreement entered into by the Company with Bombay Stock Exchange.
(Not Applicable)
- (ii) Secretarial Standards on Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).



1. I report that, during the financial year under review, in my opinion the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above subject to pending environment clearances in which places the mining activities are not carried out.
2. I further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - a) maintenance of various statutory registers and documents and making necessary entries therein;
 - b) closure of the Register of Members.
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) notice of Board meetings and Committee meetings of Directors;
 - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) the 46th Annual General Meeting held on 28th December 2022;
 - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors.
 - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,



**ASIR RAJA SELVAN, FCA, ACS, B.L.,
ARS & Co.,
Company Secretaries in Practice
Insolvency Professional,
Registered Valuer (S & FA),
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New No.39, (Old No.13), Anna Main Road,
MGR Nagar, K.K.Nagar,
Chennai - 600078.
Off Tel : 45536036, 8903003636
Email : asir.cs@gmail.com / asir@arsindia.com

-
- l) appointment and remuneration of Auditors and Cost Auditors; The Company through C & AG has appointed M/s. M. Thomas & Co, Chartered Accountants (Firm Reg. No. 004408S) as Auditor for the year 2022-23 in AGM convened on 28.12.2022 as per C&AG letter dated 08.09.2022.
- m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) declaration and payment of dividends;
- o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) borrowings and registration, modification and satisfaction of charges wherever applicable; however, charge satisfaction filing is yet to be done for few loans.
- q) investment of the Company's funds including investments and loans to others;
- r) the company has to spent CSR amount of Rs.22,26,000/- during the year under review and it has transferred to the fund as per the applicable provisions of the Companies Act, 2013 on 26th September 2023.
- s) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- t) Directors' report;
- u) contracts, common seal, registered office and publication of name of the Company; and
- v) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:



**ASIR RAJA SELVAN, FCA, ACS, B.L.,
ARS & Co.,
Company Secretaries in Practice
Insolvency Professional,
Registered Valuer (S & FA),
Certified Forensic Auditor &
Social Auditor**

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The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

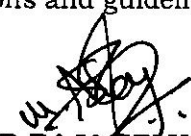
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act *except* environmental clearances for mining leases which is pending for approval; and

4. I further report that dematerialization is not applicable to this company
5. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
6. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Chennai
30th October 2023


M. ASIR RAJA SELVAN
Practicing Company Secretary
Membership No: A46402
COP : 19336
UDIN : A046402E002865801



This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

ASIR RAJA SELVAN, FCA, ACS, B.L.,
ARS & Co.,
Company Secretaries in Practice
Insolvency Professional,
Registered Valuer (S & FA),
Certified Forensic Auditor &
Social Auditor

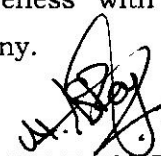

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'Annexure -1'

To
The Members
Tamil Nadu Cements Corporation Limited
Fifth Floor Aavin Illam,
3A, Pasumpon Muthuramalingam Salai,
Nandanam Chennai – 600035.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The 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.

Chennai
30th October 2023


M. ASIR RAJA SELVAN
Practicing Company Secretary
Membership No: A46402
COP : 19336


INDEPENDENT AUDITOR'S REPORT

To the Members of Tamil Nadu Cements Corporation Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of TAMIL NADU CEMENTS CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and subject to the matters referred to in the Basis for Qualified Opinion paragraph below, the aforesaid Standalone 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 (financial position) of the Company as at 31 March, 2023, and its profit, 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 (SA's) specified under section 143 (10) of the Act. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

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

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Basis for Qualified Opinion

- 1 The Company had availed Ways and Means advance of Rs.300 Crores from Government of Tamil Nadu vide G.O.No.63 dated 05.06.2017 towards implementation of the Ariyalur cement unit expansion project. As per the G.O., the rate of interest fixed was 13.50 % per annum plus Penal interest at the rate of 2.5% per annum on overdue installments of principle and interest. The Company repaid the principle amount of Rs.300 Crores on 27.03.2018. The interest component of Rs.31.51 Crores on the above said loan is accounted during the current year 2022-23 and capitalised as part of Property Plant and Equipment of 1 MTPA expansion project and the corresponding depreciation of Rs. 3.31 Crores for the period 21-03-2020 to 31-03-2022 on account of capitalization of the above interest is included under prior period expenses. However, the penal interest payable amounting to Rs. 3.95 crores from 28.03.2018 to 31.03.23 (1829 days) is neither paid nor provided in the books of accounts resulting in overstatement of profit/reserves and understatement of liability to the same extent. Refer Notes forming part of accounts – Note No.33 (XII)
- 2 Capital Work in Progress of Rs. 196.62 Lakhs, includes Kiln related capital store item Purchased by Ariyalur plant (Old) on 02.01.2018-Rs.41.30 Lakhs. In the absence of adequate information on the capitalization of the same, the impact on the financial statements is not ascertainable.
- 3 The management has identified during the year the following items as obsolete and non-moving.

(Rs. In Lakhs)

	<u>Ariyalur</u>	<u>Alangulam</u>	<u>Total</u>
Obsolete stores	32.81	62.61	95.42
Non-Moving stores	195.84	113.81	309.65

Deterioration in value of the above items is not ascertained, and no provision is made in the books of accounts. Accordingly, the impact of these on the financial statements is not ascertainable.

- 4 As on 31.03.2023, the Closing Stock of Amma Cements as per books is Rs.536.53 Lakhs and as per confirmation received from various godowns of RD & PR, TNCSC and TNCDW departments, the value is Rs.100.33 Lakhs, resulting in difference in value of closing stock amounting to Rs.436.20 Lakhs. Reconciliation of the same is in progress. The impact of the same on the financial statements is not ascertainable.

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- 5 The Company has incurred a sum of Rs.1309.27 Lakhs upto 31-03-2023 including Rs.28.32 Lakhs given as advance to Ariyalur Government Hospital for purchase of hospital equipments against the total commitment of Rs.1352 lakhs towards Enterprise Social Commitment, as necessitated by the Ministry of Environment, Forest & Climate Change of Govt of India as one of the specific conditions for issuing environmental clearance for setting up new 1 MTPA plant in Ariyalur which started commercial operation on 21-03-2020. Out of Rs. 1309.27 Lakhs, Rs.1280.95 Lakhs has been debited to Profit & Loss Account of the respective years in which expenditure was incurred which should have been capitalised as part of Fixed Asset in accordance with the opinion of Expert Advisory Committee of ICAI (April, 2015). Consequently the value of Property Plant and Equipment of Rs. 70325.24 Lakhs as on 31-03-2023 (Note No. 10) does not include the above expenditure of Rs.1280.95 Lakhs. This has resulted in understatement of Profit / Reserves and Surplus and understatement of cost of Property, Plant & Equipment to that extent.

Besides, the balance amount of Rs.42.73 Lakhs out of Rs. 1352 Lakhs payable towards Enterprise Social Commitment upto 31-03-2023 is neither paid nor provided in the accounts. This has resulted in understatement of Liability as well as understatement of cost of Property, Plant & Equipment to that extent.

Besides as per the company's revised project cost amounting to Rs.79557 lakhs, the revised Enterprise Social Commitment expenditure works out to Rs. 1988.93 lakhs and the corresponding unspent amount is Rs. 679.66 lakhs (1988.93-1309.27) and the same is not provided in the accounts.

- 6 The company had provided Trade Advance to Tamil Nadu Industrial Explosive Ltd (TEL) and the outstanding balance of Rs.2.63 Crores as on 31.03.2021 was recovered fully during 2021-2022. The accrued Interest for the FY 2017-18 to 2021-22 amounting to Rs.2.28 Crores has not been provided in the accounts, since M/s TEL has requested for the waiver of the interest. This has resulted in the understatement of Short term loans & advances by an equivalent amount, with a corresponding understatement of Other income. Refer Note No.33 (VI)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Qualified Opinion section we have determined that there are no other key audit matters to be communicated in our report.

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Emphasis of Matter

(1) There are long pending items (More than 3 years) in both receivables and payables as on 31.03.2023 as shown below, after writing off of Rs.480.28 Lakhs of Receivables and write back of Liabilities of Rs.710.96 Lakhs during the current year (Refer Notes No.33 (I) (5):

Payables Rs: 951.78 Lakhs

Receivables Rs: 1676.09 Lakhs

Some of the items included in above balances are continuing from 2012 being the year of migration to ERP.

(2) Interest amounting to Rs.145 Lakhs claimed by Singareni Collieries Company Limited on account of delayed payment made by TANCEM is disputed and disclosed under claims against the Company not acknowledged as debt. (Refer Notes forming part of accounts Note No.33 IV(A)(g))

(3) Sundry Creditors A/C (GL:61502) in the books of Amma Cements shows a balance of Rs.396.15 Lakhs as on 31.03.2023, out of which a Debit balance of Rs.15.87 Lakhs is recorded under the Supplier Ledger "A", which reflects unreconciled Balances.

(4) (a) No Confirmation is received from the under mentioned parties accounted under "Other Deposits" at Ariyalur Unit:

Sl. No	Name	Amounts as per Books (in Lakhs) 31.03.2023
1	Tamilnadu Electricity Board (4 LT units)	14.33
2	Southern Railways	12.62
3	Director of Geology & Mining	130.00
4	Mettur Thermal Power Station	68.15

(b) Confirmation for Trade Receivables, Security Deposits, Stock, Claims Receivables, and Trade Creditors were obtained for selected parties. Refer Notes forming part of accounts Note No.33 (X)

Our opinion is not modified in respect of these matters (1 to 4).

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Other Matters

Information Other Than the Financial Statements and Auditor's Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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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 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 the Order) issued by the Central Government in terms of Section 143(11) of the Act, we enclose in "Annexure A" statement on matters specified in paragraphs 3 and 4 of the said order.

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 purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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- g. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h. With respect to 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 explanation given to us
- i) The Company has disclosed the impact of pending litigations on its financial statements as referred to in Note No. 33(IV)(B)(3) to the financial statements
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required under Section 143(5) of the Act, we give in "Annexure C" our report on the Directions and in "Annexure D" our report on the Additional Sub-Directions issued by the Comptroller and Auditor General of India.

For M.THOMAS & CO
Chartered Accountants
Firm's Registration No.004408S

(A.Rozario)
Partner
Membership No.021230
UDIN: 23021230BGXCZR7287

Place: Chennai – 600004
Date: 30.10.2023



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“ANNEXURE A” To the Independent Auditor’s Report

(Referred to in paragraph 1, under Report on Other Legal and Regulatory Requirements’ section of our report of even date, to the members of Tamil Nadu Cements Corporation Ltd.)

(i)

a)

A) The company has maintained proper records in ERP showing full particulars, including quantitative details and situation of Property, Plant and equipment.

B) The company has maintained proper records showing full particulars of intangible assets.

b) As explained to us, the Physical verification of property, plant and equipment by the management was carried out by a specific team having regard to the size of the company and nature of its assets. According to the information and explanation given to us, there were no material discrepancies between assets physically available and the same as per books of account.

c) According to the information and explanation given to us and the records examined by us in respect of immovable properties disclosed as property, plant and equipment, in the financial statements are in the name of the Company, except as stated in Annexure A-1.

d) According to the information and explanation given to us and books of accounts and records examined by us, company has not revalued its property, plant and equipment or intangible assets during the year.

e) According to the information and explanation given to us by the management, no proceedings have been initiated or are pending against the company as at 31.03.2023, for holding any Benami property under the Benami transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii)

a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories was carried out during 2022-23 by a team designated by management, though not at reasonable intervals. As explained to us and on the basis of the records examined by us, no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account. As regards Amma Cements, Stock lying in various godowns were not physically verified by the officials of TANCEM. Also confirmations of stock held by some of the godowns were not received.

b) The company has been sanctioned working capital loan (cash credit account) based on the hypothecation of stocks. However the same has not been utilised by the company. The stock statements submitted by the company to the bank are in agreement with the books of accounts.

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- (iii)
- a) The company had provided loan to Tamil Nadu Industrial Explosive Ltd (TEL) and the outstanding balance of Rs.2.63 Crores as on 31.03.2021 was recovered fully during 2021-2022. However the interest on the loan for the FY 2015-16 & 2016-17 amounting to Rs.0.66 Crores had been accounted based on the credit notes received from M/s TEL in the respective years. Interest for the FY 2017-18 to 2021-22 amounting to Rs. 2.28 Crores has not been provided in the accounts, since M/s TEL has requested for the waiver off the interest. Refer note no:33(VI)
- b) We further report that, based on the audit procedures performed by us and as per the information and explanation given to us, the company has made Employee advances and advance payments for procurement of materials in the normal course of business during the year, has not been considered for reporting under this clause.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- (v) The company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the company.
- (vi) The maintenance of cost records has been specified by the central government under section 148(1) of Companies Act, 2013. We have broadly reviewed the cost records maintained by the company pursuant to Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the central government under sub-section (1) of section 148 of the Act, in respect of manufacture of cement and clinker and are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not carried out a detailed examination of the same.
- (vii)
- a) According to the records examined by us of the Company, undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, have not been deposited with the appropriate authority on account of pending disputes before different forum. (Refer Annexure A-2).
- (viii) According to the information and explanations and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

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(ix)

- a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has defaulted in repayment of certain loans borrowed from Government of Tamil Nadu including interest thereon and the required details are furnished under.

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	whether principal or interest	No of days delay or unpaid	Remarks, if any
Interest Free Loan (Rs.43.607 Crore)	Tamil Nadu Govt	Rs.1.09 Crore Rs. 1.09 crore	Principal Principal	145 days 55 days	NIL
Ways and Means Advance (Rs.300 Crore)	Tamil Nadu Govt	Rs. 31.51 Crore Rs. 3.95 Crore	Interest & Penal Interest	1829 days	The company has sent letter to government requesting to waive the penal interest.
Ways and Means Advance (Rs.20 Crore)	Tamil Nadu Govt	Rs.5.74 Crore	Interest	182 days	The company has sent letter to government requesting to waive the interest and penal interest.

- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) In our opinion, and according to the information and explanations given and records examined by us, the money raised by way of term loans have been applied prima facie for the purpose for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used by the Company during the year for long-term purposes.
- e) The company does not have any subsidiary, Joint ventures and associates. Hence clause numbers (e) & (f) are not applicable.

(x)

- a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Hence clause (x) (a) of paragraph 3 of the order is not applicable.
- b) In our opinion and according to the information and explanations given to us and on the basis of our audit procedures, the Company has not issued optionally convertible debentures on private placement basis. Also the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year and hence clause (x) (b) of paragraph 3 of the Order is not applicable to the Company.

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- (xi)
- a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
 - b) According to information and explanation given to us, no report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly the provisions of clauses (xii)(a, b & c) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv)
- a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
 - b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with them as referred to in Section 192 of the Act. Accordingly, a provision of clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi)
- a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause (xvi) of Para 3 of the Order 2016 is not applicable to the company.
 - b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
 - c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence clause xvi (c & d) are not applicable to the company.
- (xvii) In our opinion, and according to the information and explanations provided to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

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- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report and Company is not capable of meeting the liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanation given to us the Unspent amount of Rs. 22.26 Lakhs under subsection 5 of section 135 of the Companies Act which has been deposited on 26th September 2023 with Tamil Nadu State Disaster Risk Reduction Agency.
- (xxi) The company does not have any subsidiary / holding / associate entities, hence this clause is not applicable to the company.

FOR M.THOMAS & CO
Chartered Accountants
FRN: 004408S


(A.ROZARIO)
PARTNER
M.NO.021230
UDIN: 23021230BGXCZR7287

Place : Chennai - 600004
Date : 30.10.2023



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Annexure A-1 to Caro Report – 2022-23 Immovable properties not held in the name of the Company

Description of item of property	Gross Carrying Value (in Rs)	held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company* *also indicate if in dispute
Vridhachalam town block 17(56-1A, 57, 58, 59-1) 7 hectare 96 ares 50 sqmt Government Poramboke land – Factory premises	Not available	Poramboke land	Promoter – Government of Tamil Nadu	1989	Since this land is government poramboke land, the existing building and land can be enjoyed but cannot be held in the name of the company
Approach road in Viruthachalam Factory	Not available	Poramboke land	Promoter – Government of Tamil Nadu	1989	Since it is poramboke land, the title deed could not be held in the name of the company
Kandikuppam village, Viruthachalam municipality 160/1 part and 161/1 part extent 0.5365 sqmt classified as dry land.	Not available	Tamilnadu Government Industrial training institute and Tamil Nadu Ceremics Ltd.	Promoter – Government of Tamil Nadu	1989	The patta could not be transferred in the name of TANCEM for want of documentary evidence from Tamil Nadu Ceremics Limited.
Ariyalur District and Taluk Pudupalayam village S.No. 223, 224, 228/5, 232 and 233/16. total extent of 1.265 Hec.	9,16,662/-	Tamil Nadu Cements Corporation (Alienation of land)	Government of Tamil Nadu	2022	Since this land classified as Government poramboke.
Ariyalur District and Taluk Pudupalayam village S.No. 205, 206, total extent of 0.695 Hec.	6,27,537/-	Tamil Nadu Cements Corporation (Alienation of land)	Government of Tamil Nadu	2022	Since this land classified as Government poramboke.
Ariyalur District and Taluk Pudupalayam village S.No. 152/15, 153/6, 156/3, total extent of 0.955 Hec.	9,13,545/-	Tamil Nadu Cements Corporation (Alienation of land)	Government of Tamil Nadu	2022	Since this land classified as Government poramboke.

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Annexure A-2 to Caro Report – 2022-23 Statutory Dues

Sl. No	Statute	Asst.Year	Disputed Tax Demand (Rs in Lakhs)	Where appeal is pending
1	Sales Tax Act	1989-90	38.73	Pending with Dept
2	Sales Tax Act	1990-91	795.82	Pending with Dept
3	Sales Tax Act	1992-93	254.33	Pending with Dept
4	Sales Tax Act	1993-94	21.35	Dismissed back to Assessing Officer
5	Sales Tax Act	1993-94	6.91	Appeal pending at Tribunal
6	Sales Tax Act	1994-95	51.60	Dismissed back to Assessing Officer
7	Sales Tax Act	1995-96	0.80	Dismissed back to Assessing Officer
8	Sales Tax Act	1996-97	15.07	Sales Tax Appeals
9	Sales Tax Act	1997-98	15.00	Sales Tax Appeals
10	Sales Tax Act	1997-98	2.28	Sales Tax Appeals
11	Sales Tax Act	1998-99	2.79	Sales Tax Appeals
12	Central Excise Act (CENVAT Credit Entitlement)	2008-09	237.94	Appellate Tribunal(s)
13	Sales Tax Act	2001-02	321.17	Pending with Dept
14	Income Tax Act	1997-98	940.99	High Court
15	Income Tax Act	1998-99	341.20	ITAT
16	Income Tax Act	2003-04	5.28	ITAT
17	Income Tax Act	2007-08	25.48	High Court
18	Income Tax Act	2008-09	36.99	High Court
19	Income Tax Act	2017-18	26.90	ITAT

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ANNEXURE B

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Tamil Nadu Cements Corporation Ltd

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 Tamil Nadu Cements Corporation Limited ("the Company"), as of 31st March, 2023 in conjunction with our audit of the 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. 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 with reference these standalone financial statements 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 Act, 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, with reference to these standalone financial statements 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 authorization of the management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the 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 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. THOMAS & CO
Chartered Accountants
Firm's Registration No.004408S

(A. Rozario)

Partner

Membership No.021230
UDIN : 23021230BGXCZR7287

Place : Chennai -600004

Date : 30.10.2023

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Annexure- "C" to Auditor's Report of Tamilnadu Cements Ltd

Report on Direction by Comptroller & Auditor General 2022-2023

Sl.no	Compliance	Auditors Comments
1	If the Company has been selected for Disinvestment, a complete status report in terms of valuation of assets(including Intangible Assets and Land) and Liabilities(including committed and General Reserve) may be examined including the mode and present stage of Disinvestment process	Not Applicable Since the Company has not been selected for Disinvestment
2	Whether there are any cases of waiver/write off debts/ loans/ interest, etc If yes, the reasons there for and the amount involved	There are no cases of waiver/write off debts/ loans/ interest, etc during the F.Y 2022-23 except the write off of debit balances of advances and other receivables of Rs.480.28 Lakhs adopted in the year 2012 during data migration in ERP which were carried in the books without any movement/details from that year.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or Other Authorities	The Company is not maintaining proper records for the inventories lying with third parties in respect of AMMA Cement Scheme i.e. Godown of RD & PR, TNCSC and TNCDW Departments. There is a difference of 13105.37 Mts, between TANCEM books and AMMA Cement Supply Scheme Software which is carried from 01.04.2018 for which reconciliation is in progress. As per the information provided to us, the company has not received any gift from Government or Other Authorities.
4	Report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existense/effectiveness of a monitoring mechanism for expenditure on all legal cases(Foreign and local) may be given	The company is maintaining proper records of legal/arbitration cases pending with various appellate authorities case wise. These are disclosed under contingent Liability in note No: 33(IV)(B) -"Notes forming part of Accounts".For Incurring Legal expenditure approvals are obtained from competent authority. There are no foreign legal cases.

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Annexure D - Report to AG on Additional Sub Directions 2022-2023

Sl. No	Particulars	Auditor's Comments												
1.	Whether the company's pricing policy absorbs all fixed and variable costs of Production and as well as the allocation of overheads.	<p>As majority of the TANCEM cement supplies are made to DRDA & other government agencies, the selling price is fixed by the Government through a pricing committee consisting of a) Principal Secretary to Industries Department b) Additional chief secretary to Finance Department c) Principal Secretary to RD Department d) Managing Director of TANCEM. The price is proposed by TANCEM and the price so proposed includes both fixed and variable cost. Prices for Open Market Sale depending upon the Open Market conditions, the prices for open market sales through stockiest, builder, flat promoters and Government Contractors are fixed from time to time by Managing Director of TANCEM based on the recommendation of the internal pricing committee. The price fixed for open market sale includes both fixed & variable cost.</p> <p>TANCEM sent a proposal for fixation of price vide D.O. letter No. TANCEM / DRDA / PRICE FIXATION / 2021-22 dated 23.07.2021 to the principal Secretary to the Government, Industries Department, Secretariat, Chennai-09.</p> <p>By Letter No. (D) No. 117, dated 16.11.2021 from industries Department Secretariat, the following rates are fixed for supply of cement to DRDA and other Government Departments.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td align="center">OPC</td> <td align="center">PPC</td> </tr> <tr> <td></td> <td align="center" colspan="2">Rate per Bag</td> </tr> <tr> <td>a) On Cash and Carry basis</td> <td align="center">Rs.346</td> <td align="center">Rs.320</td> </tr> <tr> <td>b) On 60 Days credit basis</td> <td align="center">Rs. 351</td> <td align="center">Rs.325</td> </tr> </table>		OPC	PPC		Rate per Bag		a) On Cash and Carry basis	Rs.346	Rs.320	b) On 60 Days credit basis	Rs. 351	Rs.325
	OPC	PPC												
	Rate per Bag													
a) On Cash and Carry basis	Rs.346	Rs.320												
b) On 60 Days credit basis	Rs. 351	Rs.325												
2.	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.	<p>1. Cement manufacturing is a continuous process industry and there is no Manufacturing loss during the Cement manufacturing process. Any wastages are reused in the process.</p> <p>2. While receiving material from suppliers certain material like gypsum, fly ash etc will have loss due to moisture elements which is being accounted along with the cost of material consumption based on certificates from the lab.</p> <p>3. TANCEM is having Internal check and Internal control for avoiding abnormal loss.</p> <p>4. The company has stated that the last energy audit was carried out in the year 2020 and necessary steps will be taken to carry out energy audit in the ensuing years.</p>												



Sl. No	Particulars	Auditor's Comments												
3.	What is the system of valuation of By-products and finished products? List out the cases of deviation from its declared policy.	(i) There are no By-products for the company hence Not Applicable. (ii) Closing stock of Finished goods is valued at cost price or market price whichever is lower.												
4.	Whether the Effect of deteriorated stores and spares of closed units has been properly accounted in books?	There is no closure of unit during the year.												
5.	Whether the company has effective system for Physical Verification, valuation of stock, treatment of non-moving items and accounting effect on shortage/excess noticed during physical verification?	As explained to us and on the basis of the records examined by us, physical verification of the inventories was carried out during 2022-23 by a team designated by management, though not at reasonable intervals. The management has identified during the year the following items as obsolete and non-moving. (Rs. In Lakhs) <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Ariyalur</th> <th>Alangulam</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Obsolete stores</td> <td>32.81</td> <td>62.61</td> <td>95.42</td> </tr> <tr> <td>Non-Moving stores</td> <td>195.84</td> <td>113.81</td> <td>309.65</td> </tr> </tbody> </table> Deterioration in value of the above items is not ascertained, and no provision is made in the books of accounts. As regards Amma Cements, Stock lying in various godowns were not physically verified by the officials of TANCEM. Also confirmations of stock held by some of the godowns were not received.		Ariyalur	Alangulam	Total	Obsolete stores	32.81	62.61	95.42	Non-Moving stores	195.84	113.81	309.65
	Ariyalur	Alangulam	Total											
Obsolete stores	32.81	62.61	95.42											
Non-Moving stores	195.84	113.81	309.65											
6.	Whether the company has prepared Mines Closure Plan in respect of abandoned/ fully exhausted mines as stipulated in the Mineral Conservation and Development Rules? If so, mines closure cost has to be arrived at and provided for in the accounts . Status of environmental clearance for the functioning of mines may be reviewed.	The company has not closed /abandoned any mine during the year. However it has made provision for mine closure expenses on yearly basis and during the year 2022-2023 provision amounting to Rs.161.43 Lakhs has been made resulting in the total provision of Rs. 230.42 Lakhs as on 31 st March 2023. Environment Clearance for various mines owned by TANCEM is pending for approval before the appropriate authority. As per the information provided by the management, Environmental Clearances were obtained for two mining leases at Ariyalur cement unit out of five existing mining leases. Obtaining of environmental clearance for five mining leases at Alangulam unit is under progress.												
7.	State the extent of utilization of Plant and Machinery during the year vis-a-vis installed capacity.	<u>Refer Annexure D1</u>												



Annexure D1

Utilization of Plant and Machinery against Installed Capacity - 2022-2023

PARTICULARS	INSTALLED CAPACITY IN MTS	UTILIZATION (PRODUCED) IN MTS	%	REMARKS
CEMENT UNITS				
(1) Ariyalur Cement Works(Old Plant)	5,00,000	4,88,636	97.73	NIL
(2) Ariyalur Expansion Plant	11,30,000	9,62,685	85.19	NIL
(3) Alangulam Cement Works	2,90,000	3,55,160	122.47	NIL
ASBESTOS PRODUCTS				
(1) Asbestos (sheet), Alangulam	28,500	0	0	NIL
STONEWARE PRODUCTS				
(1) Stoneware Pipe Unit, Virudhachalam	7,200	0	0	NIL

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ADDENDUM

Pursuant to Section 134(3)(f) of the Companies Act 2013, the Board of Directors having considered the comments of the Statutory Auditors in its Audit Report and Accounts for the year ended 31.03.2023 wish to state the following:

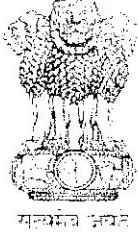
No	Auditors' Report	TANCEM Reply
1.	<p>The Company had availed Ways and Means advance of Rs.300 Crores from Government of Tamil Nadu vide G.O.No.63 dated 05.06.2017 towards implementation of the Ariyalur cement unit expansion project. As per the G.O., the rate of interest fixed was 13.50 % per annum plus Penal interest at the rate of 2.5% per annum on overdue installments of principle and interest. The Company repaid the principle amount of Rs.300 Crores on 27.03.2018. The interest component of Rs.31.51 Crores on the above said loan is accounted during the current year 2022-23 and capitalised as part of Property Plant and Equipment of 1 MTPA project (expansion project) and the corresponding depreciation of Rs. 3.31 Crores for the period 21-03-2020 to 31-03-2022 on account of capitalization of the above interest is included under prior period expenses. However, the penal interest payable amounting to Rs. 3.95 crores from 28.03.2018 to 31.03.23 (1829 days) is neither paid nor provided in the books of accounts resulting in overstatement of profit/reserves and understatement of liability to the same extent. Refer Notes forming part of accounts – Note No.33 (XII)</p>	<p>TANCEM has included the interest component of Rs.31.51 crore as an addition under the fixed asset schedule in the financial year 2022–23 and charged depreciation for the period 21.03.2020 to 31.03.2022 under prior period expenses for the value of Rs.3.31 crore, and the depreciation for the financial year 2022–23 is accounted under current year expenses for the value of Rs.1.63 crore.</p> <p>With regard to the penal interest of Rs.3.95 crore from March 28, 2018 to March 31, 2023 (1829 days) has not been provided in books of accounts in the financial year 2022-23 expecting waiver from Government</p>
2.	<p>Capital Work in Progress of Rs. 196.62 Lakhs, includes Kiln related capital store item Purchased by Ariyalur plant (Old) on 02.01.2018-Rs.41.30 Lakhs. In the absence of adequate information, the impact of the same on the financial statements is not ascertainable.</p>	<p>This item has been purchased for increasing the rated output of kiln. This replacement works required 30 days stoppage of kiln. Based on the management decision it will be replaced in the subsequent years.</p>

3.	<p>The management has identified during the year the following items as obsolete and non-moving.</p> <p style="text-align: right;">in Rs.lakhs</p> <table border="1" data-bbox="175 352 906 541"> <thead> <tr> <th></th> <th>Ariyalur</th> <th>Alangulam</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Obsolete stores</td> <td>32.81</td> <td>62.61</td> <td>95.42</td> </tr> <tr> <td>Non-Moving stores</td> <td>195.84</td> <td>113.81</td> <td>309.65</td> </tr> </tbody> </table> <p>Deterioration in value of the above items is not ascertained, and no provision is made in the books of accounts. Accordingly, the impact of these on the financial statements is not ascertainable.</p>		Ariyalur	Alangulam	Total	Obsolete stores	32.81	62.61	95.42	Non-Moving stores	195.84	113.81	309.65	<p>Total number of obsolete and Non-moving items is 2728 nos. Out of this, 1076 nos will be consumed by unit in future and the balance items 1652 nos will be processed and accounted based on Board's direction.</p>
	Ariyalur	Alangulam	Total											
Obsolete stores	32.81	62.61	95.42											
Non-Moving stores	195.84	113.81	309.65											
4.	<p>As on 31.03.2023, the Closing Stock of Amma Cements as per books is Rs.536.53 Lakhs and as per confirmation received from various godowns of RD & PR, TNCSC and TNCDW departments, the value is Rs.100.33 Lakhs, resulting in difference in value of closing stock amounting to Rs.436.20 Lakhs. Reconciliation of the same is in progress. The impact of the same on the financial statements is not ascertainable.</p>	<p>Out of 461 operating godowns the balance confirmation was received from only 368 godowns amounting to Rs.100.33 lakhs. Hence there is a difference of Rs.436.20 lakhs to be reconciled. Reconciliation of closing stock with godowns of RD &PR, TNCSC and TNCDW department is in progress. The same will be accounted in the books of accounts as and when the reconciliation is complete.</p>												
5.	<p>The Company has incurred a sum of Rs.1309.27 Lakhs upto 31-03-2023 including Rs.28.32 Lakhs given as advance to Ariyalur Government Hospital for purchase of hospital equipments against the total commitment of Rs.1352 lakhs towards Enterprise Social Commitment, as necessitated by the Ministry of Environment, Forest & Climate Change of Govt of India as one of the specific conditions for issuing environmental clearance for setting up new 1 MTPA plant in Ariyalur which started commercial operation on 21-03-2020. Out of Rs. 1309.27 Lakhs, Rs.1280.95 Lakhs has been debited to Profit & Loss Account of the respective years in which expenditure was incurred which should have been capitalised as part of Fixed Asset in accordance with the opinion of Expert Advisory Committee of ICAI (April, 2015). Consequently the value of Property Plant and</p>	<p>As per MOEF Clearance No.J-11011/83/2014-IAII(I) dated 8th September 2017 for the new plant at Ariyalur, TANCEM has been directed to spend at least 2.5% of the total cost of the project towards the Enterprise Social Commitment based on Public Hearing issues and locals needs. Based on the above, out of the total commitment of Rs.1352 lakh (i.e 2.5 % of the total project cost), Rs.1309.27 lakh has been spent up to 31.03.2023. Rs.1280.95 lakh has been charged to Profit & Loss Account and Rs.28.32 lakh has been paid in advance for the supply of Medical Equipment's to Ariyalur Government Hospital. Balance of Rs.42.73 lakh will be spent in the forthcoming years.</p>												

	<p>Equipment of Rs. 70325.24 Lakhs as on 31-03-2023 (Note No. 10) does not include the above expenditure of Rs.1280.95 Lakhs. This has resulted in understatement of Profit / Reserves and Surplus and understatement of cost of Property, Plant & Equipment to that extent.</p> <p>Besides, the balance amount of Rs.42.73 Lakhs out of Rs. 1352 Lakhs payable towards Enterprise Social Commitment upto 31-03-2023 is neither paid nor provided in the accounts. This has resulted in understatement of Liability as well as understatement of cost of Property, Plant & Equipment to that extent.</p> <p>Besides as per the company's revised project cost amounting to Rs.79557 lakhs, the revised Enterprise Social Commitment expenditure works out to Rs. 1988.93 lakhs and the corresponding unspent amount is Rs.679.66 lakhs (1988.93-1309.27) and the same is not provided in the accounts.</p>	<p>Further, With regard to the revised project cost, TANCEM has placed a proposal before the 311th Board Meeting held on July 26th, 2023, for enhancement of enterprise social commitment for the revised project cost. After reviewing the subject, the Board directed to get administrative sanction from the Project Investment Committee and to spend the enhanced commitment on the revised project cost. Based on the final approval, the same will be incorporated into TANCEM's books of accounts.</p>
6.	<p>The company had provided Trade Advance to Tamil Nadu Industrial Explosive Ltd (TEL) and the outstanding balance of Rs.2.63 Crores as on 31.03.2021 was recovered fully during 2021-2022. The accrued Interest for the FY 2017-18 to 2021-22 amounting to Rs.2.28 Crores has not been provided in the accounts, since M/s TEL has requested for the waiver of the interest. This has resulted in the understatement of Short term loans & advances by an equivalent amount, with a corresponding understatement of Other income. Refer Note No.33 (VI)</p>	<p>Since M/s. TEL is requesting for waiver of interest, the same is considered as doubtful and hence it is not provided in the books of accounts. Based on the management decision the same will be accounted accordingly in the FY.2023-24</p>

Thiru.R.KANNAN, I.A.S
Managing Director
DIN – 08562787

Dr. G.NATARAJAN
Director
DIN-01089846



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा-II)
तमिलनाडु एवं पुदुचेरी

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II)
TAMILNADU & PUDUCHERRY

स. प्रमले. (लेखापरीक्षा II)/ एएमजी I /ओएडी II/VIII/IN08/2023-24/

.12.2023

No. PAG (Audit II)/AMG I/OAD II/VIII/IN08/2023-24/ 530

20.12.2023

सेवा में/To

प्रबंध निदेशक,
तमिलनाडु सीमेंट्स कॉर्पोरेशन लिमिटेड,
आविन इल्लम, 5वीं मंजिल,
3 ए, पसुम्पोन मुथुरामलिंगम सालाई,
नंदनम, चेन्नई - 600 035 ।

The Managing Director,
Tamil Nadu Cements Corporation Limited,
Avain Illam, 5th Floor,
3 A, Pasumpon Muthuramalingam Salai,
Nandanam, Chennai – 600 035.

महोदय Sir/ महोदया Madam,

विषय: 31 मार्च, 2023 को समाप्त वर्ष के लिए तमिलनाडु सीमेंट्स कॉर्पोरेशन लिमिटेड, चेन्नई के खातों पर कंपनी अधिनियम, 2013 के अधीन धारा 143(6)(बी) के नि.व म.लेप. की टिप्पणी ।

Sub: Comments of the C&AG of India u/s 143(6)(b) of the Companies Act, 2013 on the accounts of Tamil Nadu Cements Corporation Limited, Chennai for the year ended 31 March, 2023.

31 मार्च, 2023 को समाप्त वर्ष के लिए तमिलनाडु सीमेंट्स कॉर्पोरेशन लिमिटेड, चेन्नई के लेखाओं पर कंपनी अधिनियम, 2013 की धारा 143(6)(बी) के अधीन भारत के नियंत्रक एवं महालेखापरीक्षक के शून्य टिप्पणियाँ प्रमाण-पत्र में इस के साथ अग्रेषित कर रहा हूँ ।

I am to forward herewith the NIL COMMENTS CERTIFICATE of the Comptroller and Auditor General of India under section 143 (6) (b) of the Companies Act, 2013 on the accounts of Tamil Nadu Cements Corporation Limited, Chennai for the year ended 31 March, 2023.

वार्षिक सामान्य बैठक के कार्यवृत्त की एक प्रति जिसमें कंपनी अधिनियम 2013 की धारा 143 (6)(बी) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणी प्रस्तुत की जानी है, उसे इस कार्यालय को कृपया यथाशीघ्र भेजी जाए । मुद्रित वार्षिक रिपोर्ट की छः प्रतियाँ जब भी तैयार होती हैं, इस कार्यालय को अग्रेषित की जाएं । लेखा परीक्षा की सूचना के तहत कंपनी अधिनियम, 2013 की धारा 395 के साथ पठित सीएजी के डीपीसी अधिनियम की धारा 19 ए (3) के तहत विधान सभा के समक्ष सीएजी की टिप्पणियों के साथ वार्षिक खातों को रखने के लिए कार्रवाई की जा सकती है।

A copy of the minutes of Annual General Meeting in which comments of Comptroller & Auditor General of India are to be placed under section 143 (6) (b) of the Companies Act 2013 may please be sent to this office early. Six copies of printed Annual Reports as and when they are ready may be forwarded to this office. Action may be taken to place the annual accounts along with comments of C&AG before the legislative assembly as required under Section 19 A (3) of C&AG's DPC Act read with Section 395 of Companies Act, 2013 under intimation to audit.

भवदीय/Yours sincerely,

संलग्न: यथोपरि

Encl: As above

उप महालेखाकार
Deputy Accountant General



प्रधान महालेखाकार (लेखापरीक्षा-II)
तमिलनाडु एवं पुदुचेरी
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II)
TAMILNADU & PUDUCHERRY

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF TAMIL NADU CEMENTS CORPORATION
LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of Tamil Nadu Cements Corporation Limited, Chennai for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.10.2023.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of Tamil Nadu Cements Corporation Limited, Chennai for the year ended 31 March 2023 under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

*For and on the behalf of the
Comptroller & Auditor General of India*

Place: Chennai.
Date: 19/12/2023


K. P. ANAND

PRINCIPAL ACCOUNTANT GENERAL

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2023

[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	U40200TN1976SGC007081
ii.	Registration Date	11.02.1976
iii.	Name of the Company	M/s.Tamil Nadu Cements Corporation Limited
iv.	Category/Sub-Category of the Company	Public Company / Government Company
v.	Address of the Registered office and contact details	5 th Floor, Aavin Illam, 3A Pasumpon Muthuramalingam Salai Nandanam, Chennai - 600 035
vi.	Whether listed company	Yes/No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Cement	26941	99.99%
2	Asbestos Cement Sheet	26959	0.00%
3	Stoneware Pipes	26932	0.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	NA				
2.					
3.					
4.					

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

i. Category-wise Share Holding

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
	De mat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	1113169	1113169	100	-	1113169	1113169	100	Nil
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	1113169	1113169	100	-	1113169	1113169	100	Nil
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									

1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	11	11	0	-	11	11	0	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs&ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1113180	1113180	100	-	1113180	1113180	100	Nil

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Governor of Tamilnadu	1113169	100	-	1113169	100	-	-
2.								
3.								
	Total	1113169	100	-	1113169	100	-	-

iii.Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1113169	100	1113169	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1113169	100	1113169	100

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,53,82,28,128	1,15,32,66,500	-	6,69,14,94,628
ii) Interest due but not paid	-	5,73,73,432	-	5,73,73,432
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	5,53,82,28,128	1,21,06,39,932		6,74,88,68,060
Change in Indebtedness during the financial year				
- Addition				
Principal Amount	-	4,36,00,000	Nil	4,36,00,000
Interest	3,09,02,857	-		-
- Reduction				
Principal Amount	(1,15,44,18,168)	4,36,00,000	Nil	4,36,00,000
Interest	-	-		-
Net Change	(1,12,35,15,311)	4,36,00,000	Nil	4,36,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	4,38,38,09,960	1,10,96,66,500	Nil	5,49,34,76,460
ii) Interest due but not paid	3,09,02,857	37,24,96,719		40,33,99,576
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	4,41,47,12,817	1,48,21,63,219	Nil	5,89,68,76,036

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager (Tvl.)	Total Amount
	Name	C Kamaraj, IAS	
	Period of service	01.04.2022 to 31.03.2023	
1.	Gross salary		
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	Rs.40,83,359/-	Rs.40,83,359/-
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c)Profits in lieu of salary under section17(3) Income-taxAct,1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as% of profit - others, specify...	-	-
5.	Others, please specify Terminal benefits	-	-
6.	Total(A)	Rs.40,83,359/-	Rs.40,83,359/-
	Ceiling as per the Act		

C. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager (Tvl)	Total Amount
		P.Krishnamurthi Dr.G.Natarajan	

	<u>Independent Directors</u> ·Fee for attending board /committee meetings ·Commission ·Others, please specify	Rs.1,05,000/- Nil	Rs.1,11,000/- Nil	Rs.2,16,000/- Nil
	Total(1)	Rs.1,05,000/-	Rs.1,11,000/-	Rs.2,16,000/-
	<u>Other Non-Executive Directors</u> ·Fee for attending board /committee meetings ·Commission ·Others, please specify			
	Total(2)	-	-	-
	Total(B)=(1+2)	Rs.1,05,000/-	Rs.1,11,000/-	Rs.2,16,000/-
	Total Managerial Remuneration	Rs.42,99,359/-		
	Overall Ceiling as per the Act			

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (Tvl.)			
		CEO	CS	CFO	Total
			Dr.Lakshmi Manean	A Arjunan	
	Period of service		01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	Rs.11,60,436/-	Rs.22,77,721/-	Rs.34,38,157/-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission	-	-		-

	- as% of profit -others, specify...				
5.	Others, please specify	-	-		-
6.	Total	-	Rs.11,60,436/-	Rs.22,77,721/-	Rs.34,38,157/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/ Court]	Appeal made. If any(give details)
A.Company					
Penalty					
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C.Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

for and on behalf of the Board

(R. Kannan, IAS)
Managing Director
DIN: 08562787

(Dr.G.Natarajan)
Independent Director
DIN: 01089846

Place : Chennai – 600 035
Date : 30.10.2023

TAMIL NADU CEMENTS CORPORATION LIMITED
BALANCE SHEET AS AT 31/03/2023

(Rs.in lakhs)

Sl.No.		Note No.	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
A	EQUITY AND LIABILITIES					
1	Shareholders Funds					
	(a) Share Capital	1	11131.80		11131.80	
	(b) Reserves and Surplus	2	10529.14		-2868.39	
				21660.94		8263.41
2	Non current liabilities					
	(a) Long term borrowings	3	53529.60		61052.47	
	(b) Deferred Tax Liability(net)	4	677.26		0.00	
	(b) Long term provisions	5	1758.25		1720.72	
				55965.11		62773.19
3	Current liabilities					
	(a) Short term borrowings	6	24.22		2.57	
	(b) Trade payables	7	4591.51		5008.61	
	(c) Other current liabilities	8	11992.24		9225.61	
	(d) Short term provisions	9	6312.93		9068.62	
				22920.90		23305.41
	TOTAL			100546.95		94342.01
B	ASSETS					
1	Non current assets					
	(a) Property Plant and Equipments & Intangible Assets					
	(i) Property Plant and Equipments	10	70325.24		70158.00	
	(ii) Other Intangible Assets		49.31		58.39	
	(iii) Capital work-in-progress		196.62		601.04	
			70571.17		70817.43	
	(b) Non current investments	11	0.03		0.03	
	(c) Deferred Tax Assets (net)	12	36.74			
	(c) Long Term loans and advances	13	2259.06		1992.14	
				72867.00		72809.60
2	Current assets					
	(a) Inventories	14	8389.75		5423.95	
	(b) Trade Receivables	15	2565.31		3986.16	
	(c) Cash and cash equivalents	16	9940.62		7397.66	
	(d) Short term loans and advances	17	4176.52		3674.26	
	(e) Other current assets	18	2607.75		1050.38	
				27679.95		21532.41
	TOTAL			100546.95		94342.01

Significant Accounting Policies and Other 32,33 & 34

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANEAN
Company Secretary

Dr. G.NATARAJAN
Director
DIN-01089846

Thiru. R.KANNAN, I.A.S
Managing Director
DIN - 08562787

As per our report of even date attached
FOR M.THOMAS & CO.,
Chartered Accountants
FRNO: 004408S

(A.ROZARIO)
PARTNER
M.NO.021230

Place: Chennai
Date:30.10.2023

TAMIL NADU CEMENTS CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2023

(Rs.in lakhs)

SL.No.	Particulars	Note No.	For the current reporting period from 01/04/2022 to 31/03/2023	For the current reporting period from 01/04/2021 to 31/03/2022
I	Income			
	Revenue from Operations	19	101931.84	80307.71
II	Other Income	20	1342.93	117.08
III	Total Income (I+II)		103274.77	80424.79
IV	EXPENSES			
	Cost of Material Consumed	21	15103.99	11473.38
	Purchase of Stock in Trade	22	9203.42	8381.75
	Changes in inventories of finished Goods, Work-in-Progress	23	-27.93	139.72
	Power & Fuel	24	28155.30	20549.21
	Manufacturing Expenses	25	2985.32	2747.93
	Employee Benefit Expenses	26	4105.51	2902.00
	Finance Costs	27	3935.48	4949.26
	Depreciation/amortization Expenses	28	4336.38	4208.19
	Other Expenses	29	19470.26	12152.35
	Total Expenses		87267.73	67503.79
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND EXTRA ORDINARY ITEMS (III-IV)		16007.04	12921.00
VI	Exceptional Items /Prior Year Items	30	-369.00	-1151.64
VII	Profit before extra ordinary items and tax(V+VI)		15638.04	11769.36
VIII	Extra ordinary Items		0.00	0.00
IX	PROFIT /LOSS BEFORE TAX (VII+VIII)		15638.04	11769.36
X	TAX EXPENSES	31		
	a.Current Tax expenses for current year		1600.00	0.00
	b.Deferred Tax		640.51	0.00
	Sub Total		2240.51	0.00
XI	PROFIT / (LOSS) FOR THE PERIOD (IX+X)		13397.53	11769.36
XII	BASIC & DILUTED EARNINGS PER SHARE (Face Value Rs 1000/- per Share)	Rs.	1203.54	1057.27

Significant Accounting Policies and Other Disclosures **32,33 & 34**

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANEAN
Company Secretary

Dr. G.NATARAJAN
Director
DIN-01089846

Thiru. R.KANNAN, I.A.S
Managing Director
DIN - 08562787

As per our report of even date attached
FOR M.THOMAS & CO.,
Chartered Accountants
FRNO: 004408S

(A.ROZARIO)
PARTNER
M.NO.021230

Place: Chennai
Date:30.10.2023

UDIN: 23021230BGXCZR7287

TAMIL NADU CEMENTS CORPORATION LIMITED
CASH FLOW STATEMENT AS AT 31/03/2023

	PARTICULARS	(Rs.in lakhs)	
		2022-23	2021-22
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Prior Period Items	16,007.04	12,921.01
	<u>Adjustment for</u>		
	Depreciation	4,336.38	4,208.19
	Provision for Bad & Doubtful Debts & Advances/MAT	-	-
	Interest Expenditure	3,935.48	4,949.26
	Profit/Loss on write off / Sale of Fixed Assets	(1,030.36)	-
	Interest Income considered separately	(294.14)	(94.66)
	Operating Profit Before Working Capital Changes	22,954.44	21,983.80
	Decrease (Increase) in Inventories	(2,965.80)	541.62
	Decrease (Increase) in Sundry Debtors	1,420.85	1,385.57
	Decrease (Increase) in Loans & Advance	(2,059.63)	(751.75)
	Increase (Decrease) in Current Liabilities	(491.50)	(5,151.37)
	Cash From Operations	18,858.32	18,007.87
	Income Tax Paid	(1,493.00)	-
	Deferred Revenue Expenditure	-	-
	Cash from Operations before Prior Period Items	17,365.32	18,007.87
	Prior Period Items	(369.00)	(1,151.64)
	Cash from Operating Activities	16,996.32	16,856.23
B	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Proceeds on Sale of Fixed Assets	1,033.00	0
	Additions/ Delition to Fixed Assets & Capital work in Progress	(4,092.76)	240.91
	Decrease (Increase) in Long Term Loans & Advance	(266.92)	(95.08)
	Interest Income	294.14	94.66
	Net Cash from Investment Activities	(3,032.54)	240.49
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase (Decrease) in Non Current Liabilities	(7,485.34)	(7,860.85)
	Repayment of Loan (Secured & Unsecured)	-	-
	Repayment of Tax Defferal	-	-
	Interest Paid	(3,935.48)	(4,949.26)
	Share Advance/share capital issued	-	-
	Interest Free Loan	-	-
	Net Cash from Financial Activities	(11,420.82)	(12,810.11)
D	TOTAL INCREASE (DECREASE) IN CASH EQUIVALENTS DURING THE YEAR (A+B+C)	2,542.96	4,286.61
	Cash and Cash Equivalents at the beginning of the year	7,397.66	3,111.05
	Cash and Cash Equivalents at the end of the year	9,940.62	7,397.66

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MAN EAN
Company Secretary

Dr. G.NATARAJAN
Director
DIN-01089846

Thiru. R.KANNAN, I.A.S
Managing Director
DIN - 08562787

As per our report of even date attached
FOR M.THOMAS & CO.,
Chartered Accountants
FRNO: 004408S

(A.ROZARIO)
PARTNER
M.NO.021230

Place: Chennai
Date:30.10.2023

UDIN:23021230BGXCZR7287

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1	SHARE CAPITAL		
	Authorised : 11,20,000 (Previous year : 11,20,000) Equity Shares of Rs.1000/- each	11,200.00	11,200.00
	ISSUED ,SUBSCRIBED AND PAID UP: 11,13,180 (Previous year : 11,13,180) Equity Shares of Rs.1000/- each	11,131.80	11,131.80
	TOTAL	11,131.80	11,131.80
	Reconciliation of the number of Shares outstanding		
	Shares outstanding at 01-04-2022	11,13,180	11,13,180
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at 31-03-2023	11,13,180	11,13,180
	Shareholders holding more than 5 percent of Equity Shares	No.of shares held	No.of shares held
Shares are held by Govt.of Tamilnadu and its Nominees.	11,13,180	11,13,180	
2	RESERVES AND SURPLUS		
	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance at the beginning of the year	(2,868.39)	(14,637.75)
	Net Profit/Loss for the year	13,397.53	11,769.36
Balance at the end of the year	10,529.14	(2,868.39)	
3	LONG TERM BORROWINGS		
	A. Unsecured Loan		
	Interest Free Loan from Government*	11,096.67	11,532.67
	Less : current maturities shown under current liabilities	654.11	654.11
	Total (A)	10,442.56	10,878.56
	B. Secured Loan		
	SBI Term Loan*	44,147.13	55,382.28
	Less : Interest payable for March 23	309.03	-
	Total after deducting Interest payable	43,838.10	55,382.28
	Less : current maturities shown under current liabilities	751.06	5,208.37
Total (B)	43,087.04	50,173.91	
TOTAL (A + B)	53,529.60	61,052.47	
	* Detailed note given in 30(l)(1 to 4)		
4	DEFERRED TAXATION RESERVE / LIABILITY	677.26	-
	TOTAL	677.26	-
5	LONG TERM PROVISIONS		
	1. Provisions for Employee Benefit		
	a) Provision for Gratuity	1,000.18	1,093.81
	b) Provision for Earned Leave	527.65	557.94
	2. Other Provisions		
	Provision for Mine Closure Plan	230.42	68.97
TOTAL	1,758.25	1,720.72	
	The Total Provision for Gratuity is Rs.1281.82 lakhs(Long Term & Short Term) and The total Provision for Earned leave is Rs. 848.58 lakhs(Long term & short term)		

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
6	CURRENT LIABILITIES		
	a.Short Term Borrowings		
	1.Ways and Means -Govt.of Tamilnadu	-	-
	2.Cash Credit with Banks	24.22	2.57
	Nature of Security :- i) Primary Security - First Charge on Current Assets (Stock and Receivable) of the company on paripassu basis with all working capital lenders . ii) Collateral Security - Second charge on the fixed assets of the company on the paripassu basis with all member banks in the working capital consortium by way of hypothecation / mortgage for the fund based and non fund based limit to the tune of Rs.8500.00 lakhs (cash credit is Rs.6000.00 lakhs and Non fund based is Rs 2500.00 lakhs)		
	Total	24.22	2.57
7	a.Trade Payable		
	Sundry Creditors -General	107.57	346.55
	b.CREDITORS FOR GOODS		
	1 . a) Sundry Creditors - Stores & Spares	182.93	507.78
	2 . Sundry Creditors - Raw Materials	150.39	490.92
	3 . Sundry Creditors - Purchase of Cement	1,127.53	1,679.59
	C. Outstanding dues of Micro and Macro suppliers *	547.22	63.93
	d.CREDITORS FOR EXPENSES		
	1 . Creditors for Expenses - Power Bill	676.73	792.66
	2 . Creditors for Expenses - Admn.Expenses	141.32	2.20
	3. Creditors for Expenses -Auditors fee Payable	8.68	8.96
	4 . Goods Received invoice not raised (GRIR)	1,096.66	579.39
	e. Sundry Creditors for Capital Goods	552.48	536.63
	TOTAL	4,591.51	5,008.61
	*The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company. Sundry Creditors subject to confirmation/reconciliation		
8	OTHER CURRENT LIABILITIES		
	1 .EMD & Other Deposits	2,210.13	2,001.61
	2 .Others	6,055.29	6,643.75
	3. Interest payable on unsecured Loans	3,726.82	580.25
	TOTAL	11,992.24	9,225.61
	Liabilities subject to confirmation/reconciliation		
9	SHORT TERM PROVISIONS		
	a)Provision for Employees Benefits		
	1. Provision for Gratuity	281.64	231.70
	2. Provision for Earned Leave	320.93	154.72
	b) Others		
	1 .Provision for Labour Welfare Cess *	274.42	274.42
	2. Provision for Corporate Social Responsibility (CSR)	22.26	-
	3. Recoveries from Salary	87.41	93.65
	4. Employees payable	359.46	264.97
	5.TDS	35.87	29.44
	6. GST / Sales Tax	1,616.74	2,157.24
	7. Current Maturities of Loan - Term Loan**	1,714.20	5,862.48
	8. Provision for Taxation	1,600.00	-
	TOTAL	6,312.93	9,068.62
	The Total Provision for Gratuity is Rs.1281.82 lakhs(Long Term & Short Term) and The total Provision for Earned leave is Rs. 848.58 lakhs(Long term & short term)		
	* includes provision created for Labour welfare fund for 1% of the total cost of civil construction.		
	** a) The repayment due for SBI Term Loan for 2023-24 is Rs.7086.68 lakhs (1771.67*4). Already paid from the above during 2021-22 is Rs. 6335.63 lakhs . Balance repayment due in 2023-24 Rs.751.06 lakhs is shown in current maturities.		
	b) The repayment due during 2023-24 is Rs.436.07 lakhs . The short payment for 2022-23 is Rs.218.07 lakhs The Total current liability for the year 2023-24 , Rs.654.11 lakhs is considered in current maturities		

NOTES TO ACCOUNTS
Note 10 : Fixed Assets

(Rs.in lakhs)

SI No.	NAME OF ASSETS	GROSS BLOCK				DEPRECIATION BLOCK					
		01-04-2022	ADDN	DELN Adj.	TOTAL 31-03-2023	DEPRN 01-04-2022	FOR THE YEAR	DELN Adj.	TOTAL 31-03-2023	WDV 31-03-2023	WDV 31/03/2022
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A	Tangible Assets										
1	QUARRY LAND	537.86	1256.85	2.64	1792.07	80.48	19.41		99.89	1692.18	457.38
2	OTHER LAND	642.48			642.48	0.00			0.00	642.48	642.48
3	BUILDINGS	39519.74	1714.53		41234.27	3866.48	1365.68		5232.16	36002.11	35653.23
4	RAILWAY SIDING	800.14			800.14	763.72			763.72	36.42	36.42
5	PLANT & MACHINERY	46501.17	1839.39		48340.55	13468.28	3245.86		16714.14	31626.37	33032.34
6	FURNITURE FIXTURES	133.61	5.73		139.34	64.33	8.00		72.33	67.01	69.04
7	VEHICLES	523.52	0.49		524.02	462.82	4.90	0.00	467.72	56.29	59.80
8	OTHER ASSETS	840.74	11.21		851.95	632.01	17.57	0.00	649.58	202.38	207.32
B.	OTHER INTANGIBLE ASSETS										
	Computer Software	331.79			331.79	273.40	9.08		282.47	49.31	58.38
	Total	89831.06	4828.20	2.64	94656.62	19611.52	4670.49	0.00	24282.01	70374.55	70216.41
	Capital Work-in-Progress									196.62	601.04
	Previous year	89750.02	120.16	39.12	89831.06	15431.42	4220.78	37.54	19614.66	70216.40	74318.48

ii) Railway Siding at Ariyalur Unit is on own siding basis.

iii) Fixed Assets includes Kiln at Alangulam and Assets of TNA sheets at Alangulam which have not been in operation from March 2017 and 2015 respectively.

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANEAN
Company Secretary

Dr. G.NATARAJAN
Director
DIN-01089846

Thiru. R.KANNAN, I.A.S
Managing Director
DIN - 08562787

As per our report of even date attached
FOR M.THOMAS & CO.,
Chartered Accountants
FRNO: 004408S

Place: Chennai
Date:30.10.2023

(A.ROZARIO)
PARTNER
M.NO.021230
UDIN:23021230BGXCZR7287

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
11	NON CURRENT INVESTMENTS		
	INVESTMENTS	0.03	0.03
	a.In Shares of Tamilnadu Cements Employees Co-operative Society, Alangulam Cement Unit at cost (not quoted)(Face value Rs.2500/-)		
	b.In Shares of Ramnad District Consumers Co-operative Society at cost (not quoted)(Face value Rs.100/-)		
	TOTAL	0.03	0.03
12	DEFERRED TAXATION RESERVE /ASSETS	36.74	-
	Total	36.74	-
13	LONG TERM LOANS AND ADVANCE		
	Deposits	2,259.06	2,018.72
	Less : Provision for Doubtful Deposits	-	(26.58)
	Total	2,259.06	1,992.14
14	Group : INVENTORIES - STORES & SPARES		
	1 . Stores and Spares	2,114.38	1,762.15
	2 . Fuel	1,598.56	532.77
	3. Packing Material	286.88	57.37
	Group : INVENTORIES - RAW MATERIALS		
	Raw Material	2,343.63	1,053.29
	Group : INVENTORIES - WORK IN PROCESS		
	1 . Work - in - Process	381.39	406.69
	2 . Semi Finished Goods (CLINKER)	475.81	744.08
	Group : INVENTORIES - FINISHED GOODS		
	Finished Goods	652.56	342.10
	Group : INVENTORIES - TRADING STOCK		
	Closing Stock 18383.60 MT (last year 18047.25 MT) Valued at Net Purchase price per MT(17069.05 MT@ Rs.2890.625/MT and1314.55 MT @ Rs.3281.25/MT)	536.54	525.50
	TOTAL	8,389.75	5,423.95
15	TRADE RECEIVABLES		
	Secured , Considered Good		
	Debts outstanding for more than 6 months		
	Unsecured, Considered Good		
	Debts outstanding for less than 6 months	1,330.16	2,373.62
	Other Debts	1,235.15	1,612.54
	Total	2,565.31	3,986.16
	Unsecured, Considered Doutful		
	Debts outstanding for more than 6 months	269.34	308.93
	Provision of Doubtful Receivables (Trade Receivables)	(269.34)	(308.93)
	Total	0.00	0.00
	TOTAL	2,565.31	3,986.16
	Sundry Debtors subject to confirmation/reconciliation		
16	CASH AND CASH EQUIVALENTS		
	CC Accounts	134.60	967.12
	Group : CASH & CHEQUES ON HAND		
	Cash and Cheques on Hand	2.47	1.87
	Group : CASH AT BANK		
	Cash at Bank- Current Accounts	1,985.58	2,343.70
	Group : DEPOSITS WITH BANKS		
	Deposits with Banks	7,817.74	4,084.74
	Group : STAMPS ON HAND		
	STAMPS ON HAND	0.23	0.23
	TOTAL	9,940.62	7,397.66

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

		Figures as at the end of current reporting period	Figures as at the end of previous reporting period
17	SHORT TERM LOANS AND ADVANCES		
	Group : TDS RECEIVABLE		
	TDS Receivable	357.96	302.21
	Group : ADVANCE FOR GOODS		
	1 . Advance for Goods	373.22	1,021.74
	2 . Advance for Raw Materials	1,190.35	151.24
	3 . Advance for Trading Materials	9.31	9.31
	Group : OTHER ADVANCES		
	1 . Advance to Trust/Societies	0.10	0.10
	2 . Claims Receivable	1,167.88	1,183.83
	3 . Advance to Staff	25.03	29.22
	4. Other Advances	636.95	560.89
	5. Provision for Doubtful Advances	(36.21)	(36.21)
	Group : DEPOSITS		
	Deposits with Court	451.93	451.93
	TOTAL	4,176.52	3,674.26
	Advances to suppliers and others, Balance with Port Trust subject to confirmation/reconciliation		
18	OTHER CURRENT ASSETS		
	1. Interest Accrued	133.36	13.71
	2. GST Receivable	518.71	595.11
	3. Provision for Claims Receivable*	(382.99)	(382.99)
	4. Advance Income Tax	2,255.53	762.34
	5. Prepaid Expenses	83.14	62.21
	* Provision for disputed Input Credit pertaining to GST Transition.		
	TOTAL	2,607.75	1,050.38
For and on behalf of Board of Directors			
Thiru. A.ARJUNAN Chief Financial Officer	Dr. LAKSHMI MANEAN Company Secretary	Dr. G.NATARAJAN Director DIN-01089846	Thiru. R.KANNAN, I.A.S Managing Director DIN - 08562787
As per our report of even date attached FOR M.THOMAS & CO., Chartered Accountants FRNO: 004408S			
(A.ROZARIO) PARTNER M.NO.021230 UDIN:23021230BGXCZR7287			
Place: Chennai Date:30.10.2023			

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	For the current reporting period from 01/04/2022 to 31/03/2023	For the current reporting period from 01/04/2021 to 31/03/2022
19	Revenue from Operations		
	A. Manufacturing		
	1 . Cement Sales	92,476.80	71,698.35
	2. Cement Sales - Home Consumption	-	-
	3. Clinker Sales	-	-
	4 . Asbestos Sheet Sales	-	-
	5. Stoneware Pipe Sales	0.01	0.03
	SUB TOTAL (A)	92,476.81	71,698.38
	B. Trading		
	Amma Cement Supply Scheme Sales [2,80,148.95MT @Rs.3375 per MT (Excluding GST)(last year 2,55,176.90 MT)	9,455.03	8,609.33
	SUB TOTAL (B)	9,455.03	8,609.33
	TOTAL (A) + (B)	101,931.84	80,307.71
20	OTHER INCOME		
	1 . Interest Earned - Other Advances / Deposits	294.14	94.66
	2 . Profit on Sales of Assets	1,030.36	-
	3 . Misc.Income - Scrap Sales	0.40	0.02
	4. Trade Sale	-	-
	5 . Other Receipts	18.03	22.40
	TOTAL	1,342.93	117.08
21	COST OF MATERIAL CONSUMED		
	1. Limestone	5,817.67	5,893.38
	2. Gypsum	1,259.64	636.33
	3. Fly ash	6,123.68	4,054.09
	4. Other raw materials	1,903.00	889.58
	Total	15,103.99	11,473.38
22	PURCHASE OF STOCK IN TRADE		
	Purchase of Cement for Amma Cement Supply Scheme [2,80,485.30 MT@3281.25 per MT (excluding GST) (last year 2,55,443.85MT)	9,203.42	8,381.75
	TOTAL	9,203.42	8,381.75
23	CHANGE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS & STOCK-IN-TRADE		
	Opening stock		
	1. Process Goods	1,150.77	895.91
	2. Finished Goods	342.10	748.22
	3. Trading Stocks	525.50	513.96
	Total (A)	2,018.37	2,158.09
	Less : Closing stock		
	1. Process Goods	857.21	1,150.77
	2. Finished Goods	652.56	342.10
	3. Trading Stocks	536.53	525.50
	Total (B)	2,046.30	2,018.37
	TOTAL	(27.93)	139.72
24	Power and Fuel		
	1. Coal	17,899.65	12,566.47
	2. Cashew nut	879.04	7.00
	3. PetCoke	86.48	-
	4. Alternate Fuel	33.71	-
	2. Power	9,256.42	7,975.74
	Total	28,155.30	20,549.21
25	Manufacturing Expenses		
	1 . Stores Consumed	1,777.62	1,612.97
	2 . Manufacturing Expenses - Others	340.06	253.98
	3. Repairs & Maint. - Plant and machinery	867.64	880.98
	TOTAL	2,985.32	2,747.93

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	For the current reporting period from 01/04/2022 to 31/03/2023	For the current reporting period from 01/04/2021 to 31/03/2022
26	EMPLOYEE BENEFIT EXPENSES		
	1 . Salary,Wages & Bonus	2,884.16	2,388.51
	2 . Contribution to PF and Other Funds	225.01	203.22
	3 . Staff Welfare Expenses	254.00	122.31
	4 . Gratuity and Leave Encashment	742.34	187.96
	TOTAL	4,105.51	2,902.00
	Salary , Wages & Bonus include Directors Remuneration & contribution to PF and other funds	40.83	29.49
	Staff Welfare expenses includes Directors Welfare Expenses	-	-
	Bonus payment :Subject to orders passed by Govt.of Tamilnadu.Consequently no provision is made in the books.		
27	FINANCE COSTS		
	1 . Interest on Working Capital	1.38	24.99
	2 . Interest - Term Loan / Others	3,822.11	4,721.23
	3 . Bank Charges	111.99	203.04
	TOTAL	3,935.48	4,949.26
28	DEPRECIATION / AMORTIZATION EXPENSES		
	1 . Depreciation	4,336.38	4,208.19
	TOTAL	4,336.38	4,208.19
29	OTHER EXPENSES		
	1 . Insurance	89.35	71.15
	2 . Rent	50.96	41.41
	3 . Rates & Taxes	218.87	183.18
	4 . Printing and Stationery	29.97	19.91
	5 . Postage, Telephones & Telegrams	13.55	13.77
	6 . Travelling Expenses	51.65	22.59
	7 . Other Administrative Expenses *	299.87	187.50
	8. Administrative Expenses - Amma Cement Supply Scheme	196.10	178.62
	9. Losses/Written off	-	13.76
	9. Legal Fee	3.78	8.02
	10 . Consultants Fee	103.10	125.01
	11 . Directors Sitting Fees	2.16	0.90
	12 . Audit Fees Expenses & Others**	4.47	2.68
	13 . Repairs and Maint. (Other than Factory Buildings and Plant & Machinery)	1,495.45	953.85
	14 . Freight & Handling charges	795.19	572.20
	15 . Rent - Marketing Office	2.78	2.76
	16 . Advertisement Charges	196.55	66.30
	17 . Packing Charges	5,014.35	2,815.91
	18 . Sales incentives	10,664.73	6,853.37
	19 . Other Selling Expenses	215.12	19.45
	20. Corporate Social Responsibility (CSR)***	22.26	-
	TOTAL	19,470.26	12,152.35
	* Administrative expenses includes Rs. 10.02 lakhs relating to ESR expenses incurred during the year 2022-23 for fulfilling the term and conditions of MoEF for Ariyalur Expansion Project		
	**Auditor fees include i) Statutory Audit Fee	4.00	2.50
	ii) Out of Pocket expenses	0.47	0.18
	*** Provision created for CSR as per section 135(5) of companies act.		

32. SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF PREPARATION

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India and the accounting standards prescribed under relevant provisions of the Companies Act, 2013 read with rule of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India.

II) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

III) VALUATION OF INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost being ascertained as detailed below:

Inventory	Basis of Accounting
a) Raw Materials	Weighted average cost less GST availed. Inventories which are received and certified by the Inspecting Authorities as on 31.03.2023 at our Central Stores alone are taken into stock.
b) Bonded Materials	CIF value, inland freight and Customs Duty including clearing charges
c) Stores, Spares, Consumables & Packing Materials	Weighted average cost less GST availed. Inventories which are received and certified by the Inspecting Authorities as on 31.03.2023 at our Central Stores alone are taken into stock.
d) Medicines	Annual weighted average cost.
e) Stationery	Annual weighted average cost
f) Process Stock	Lower of cost or net realisable value.
g) Finished goods	Lower of cost or net realisable value excluding GST.
h) Trading Stock	Purchase price less GST

Cost of work in process and finished goods includes all direct costs and applicable manufacturing overheads incurred in bringing the inventories to their present location and condition.

IV) CASH FLOW STATEMENTS

Cash flows are reported using indirect method, whereby profit 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. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

V) CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Events which occur between the balance sheet date and the date on which the financial statements are approved, may indicate the need for adjustments to assets and liabilities as at the balance sheet date or may require disclosure. Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date. Events occurring after the balance sheet date which do not affect the figures stated in the financial statements will be disclosed, if they are considered to be material to the financial statements.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

VI) NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:

Significant items or Extra-ordinary items and prior period income and expenditure are accounted in accordance with Accounting Standard.

VII) REVENUE RECOGNITION

- a. Sale is recognized on transfer of significant risks and rewards of ownership of the goods to the buyer and stated at net of GST
- b. Interest income is recognized on time proportion basis.
- c. Scrap stock is valued at Nil cost. The amount realised will be shown as miscellaneous income in the year in which it is sold.

VIII) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on Fixed Assets under Straight Line Method on the basis of useful life of Assets as per the Schedule II to the Companies Act, 2013 as amended. In case of additions/deletions of fixed assets, depreciation has been calculated from/up to the date of additions/deletions respectively on pro rata basis.

Capital Work-in-Progress comprises of purchase price of Capital assets net of taxes and duties eligible for credit, plus all other directly attributable cost of fixed assets/projects that are not ready for their intended use, as at the Balance Sheet date.

IX) ACCOUNTING OF INVESTMENTS

- a. Current investments are valued at lower of cost or Fair Market Value
- b. Long Term Investments are valued at costs after deducting provision made for diminution, if any, other than temporary.

X) ACCOUNTING FOR EMPLOYEE BENEFIT

a) Defined Contribution Plan:

Employee benefits in the form of the company's contribution to Provident Fund, Pension Scheme and Others are considered as defined contribution plan and charged to the Profit and Loss Account of the year in which the related services are rendered.

b) Defined Benefit Plan:

The obligation in respect of defined benefit plans is determined using Projected Unit Credit Method matched with actuarial valuation at the end of each financial year. Actuarial Gains/Losses are recognized immediately in the Profit and Loss Account.

XI) BORROWING COST

Interest on borrowings to finance fixed assets is capitalized only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. All the other borrowing costs are recognized in the statement of Profit and Loss account within the finance cost of the period in which they are incurred.

XII) SEGMENT REPORTING

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segment's operating

results are reviewed by the company's Board of Directors (BoD) to make decisions about resources to be allocated to the segments and assess their performance. Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. The Companies is domiciled in India and its manufacturing facilities and sales are within India. Accordingly, there are no reportable secondary segments. Details of segment data are given below:

(Rs in Lakhs)

Particulars	Cement Division	Sheet Division	Pipe Division	DRDA Supply	Amma Cement Supply Scheme	2022-23 Total	2021-22 Total
Gross Earnings	92476.80		0.01	-	9455.03	101931.84	80307.71
Other Segments	-	-	-	-	-	-	-
Sub Total	92476.80	-	0.01	-	9455.03	101931.84	80307.71
Total revenue	92476.80	-	0.01	-	9455.03	101931.84	80307.71
Total expenses	73764.99	22.87	66.34	-	9455.78	83309.98	62554.52
Segment Result	18711.81	(22.87)	(66.33)	-	(0.75)	18621.86	17753.19
Segment Liabilities	73549.35	154.18	6.77	731.37	2167.07	76608.74	86078.59
Segment Assets	96766.08	163.38	74.31	1214.92	2291.53	100510.22	94342.00
Fixed Assets Acquired	4827.10	-	0.62	-	0.48	4828.20	120.16
Depreciation	4326.10	0.49	0.66	-	9.13	4336.38	4208.19
Capital Employed	78504.57	9.21	67.54	483.54	124.46	79189.32	71036.60

XIII) RELATED PARTY DISCLOSURE

a) Name of related parties and Nature of relationship

Government of Tamil Nadu – Holder of 100% of the share capital

b) Key Management Personnel

i) Managing Director / CMD

Thiru. C. Kamaraj, IAS

(24.03.2022 - 31.05.2023)

ii) Chief Financial Officer

Thiru. A. Arjunan

(15.09.2021- till date)

iii) Company Secretary
Tmt. Dr. Lakshmi Manean

Note: The list of related parties and the relationship disclosed above is to the extent of information available with the Company

Transactions with related parties-Managerial Remuneration during the year

Particulars	2022-23	2021-22
	Rs in Lakhs	
a) Managing Director	40.83	29.49
b) Chief Financial Officer	22.78	16.82
c) Company Secretary	11.60	9.71
TOTAL	75.21	56.02

- c) **Balance Managerial Remuneration payable at the end of the reporting period is Rs.6.46 lakhs** (Managing Director – Rs.3.50 lakhs, Company Secretary – Rs.1.00 lakhs and Chief Financial Officer – Rs.1.96 lakhs)

XIV) LEASES

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the period of the lease.

XV) EARNINGS PER SHARE

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year/ period. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XVI) ACCOUNTING FOR TAXES ON INCOME

Provision for current tax is made based on the liability computed in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or subsequently enacted at the reporting date. Deferred tax is accounted for by computing the tax effects of the timing differences which arise during the year and reverse out in subsequent periods. Deferred tax is calculated at the tax rates enacted or substantively enacted by the balance sheet date. Deferred tax liabilities arising on account of timing differences on depreciation and others are recognized. Deferred tax assets are recognised only if there is a reasonable/ virtual certainty that they will be realised in the foreseeable future and are reviewed for appropriateness of their respective carrying values at each balance sheet date.

XVII) INTANGIBLE ASSETS

Intangible assets comprise of Implementation of 'Plant Integration and Plant Performance Improvement Systems Software' which had been capitalised at cost during the year 2012-13. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Intangible fixed assets are as per Schedule II to the Companies Act, 2013.

XVIII) IMPAIRMENT OF ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The “recoverable amount’ is higher than the “carrying amount” of the cash generating units and hence there is no impairment of losses under AS-28.

XIX) CONTINGENT LIABILITIES & CONTINGENT ASSETS

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

33. OTHER NOTES & DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

I) LONG TERM & SHORT TERM LOANS FROM GOVT. OF TN & BANKS:-

1) Interest Free Loan from Government – Rs.43.61 Crore:-

In order to obtain Environmental Clearance for Kallankurichi Mines TANCEM was required to pay a penalty Rs.43.61 crore (as estimated by the Department of Geology and Mining, Government of Tamil Nadu) as per the direction issued by MoEF vide notification F.No.3.50/2017 IA.III-Pt, dated 05.01.2018 in compliance of the orders of the Hon’ble Supreme Court of India. Interest free loan granted by the Government vide G.O.(Ms.) No:64 dated 21.06.2018 towards payment of penalty for not obtaining EC for Kallankurichi Mines.

TANCEM has repaid an amount of Rs.6.54 Crore as on 31st March 2023. The second half year ended payment for the financial year 2022-23 for the value of Rs.2.18 crore was remitted on 25/05/2023.

2) Interest Free Loan from Government – Rs.73.90 Crore:-

The Government vide G.O.(Ms)No.47 dated 21.04.2017 had approved to implement the Ariyalur Cement Unit Plant expansion from 5 LMT to 15 LMT per annum at a cost of Rs.750 crore (inclusive of 110 KV Sub - Station) with the promoters contribution of Rs.147.80 crore to be financed by the Government of Tamil Nadu in the form of Equity Share Capital to an extent of Rs.73.90 crore and Interest Free Loan of Rs.73.90 crore and balance through Term Loan from Bankers.

The terms of borrowing from the above sources are as follows:

- a) Repayment period – 5 years
- b) Moratorium towards repayment - 5 years after the construction period of 24 months.
- c) Date on which repayment is to commence – At the end of 5th year after the construction period of 24 months.

3) Ways and Means from Government – Rs.20 Crore:

There are 390 LAOPs filed before the Sub Court, Ariyalur following acquisition of 320.76 acres of land during 1996. The Sub Court, Ariyalur disposed off the cases granting enhanced compensation of Rs.1250/- per cent vide order dated 29.11.2012. Based on Writ petitions filed by TANCEM, the Sub Court re-opened the cases and passed orders dated 16.02.2017 for re-fixing the enhanced compensation at Rs.1200/-, the approximate financial commitment being around Rs.20 crore. TANCEM had requested the Government to consider a loan of Rs.20 crore to pay the compensation fixed by sub court. Ways and Means advance was sanctioned by Government vide G.O.Ms.No.155 Industries (MID.2) Department dated 13.08.2019 for Rs.20 crore with an interest rate of 12.60% p.a and penal interest of 2.5% p.a payable on quarterly basis. The entire loan of Rs.20 crore of Ways and Means advance has been repaid during the year 2021-22. TANCEM has made an appeal to the Government of Tamilnadu to waive off the interest and penal interest on this loan. However, the company has provided provision for Rs.573.73 lakhs towards interest and penal interest till the repayment of the loan.

4) Term Loan from State Bank of India: -

TANCEM has been sanctioned a term loan of Rs. 602.20 crore by the State Bank of India. Due to the COVID pandemic, as per RBI instructions on allowing a 6-month moratorium in the payment of interest of Rs. 24.31 crore from March 20 to August 20, Thus, the total term loan obtained has increased to Rs. 626.51 crore by State Bank of India as of March 31, 2021. As of March 31, 2023, TANCEM had repaid the principal amount of Rs. 188.12 crore against the loan amount of Rs. 626.51 crore. SBI's term loan outstanding as of March 31, 2023 is Rs. 438.39 crore.

5) Opening balance – Write Off & Write Back

TANCEM used Oracle software for accounting until 2011–12. From April 1, 2012, onwards, the ERP oracle-based software was implemented, and the data was transitioned from oracle to ERP. Some of the outstanding balance from 2012 is still lying in the receivable and liability ledgers in TANCEM's books of accounts. Since the balances have been outstanding for a longer period of time and there is no data available or claims raised by the supplier, TANCEM has decided to write off and write back the assets and liabilities. In this regard, TANCEM has placed a proposal before the Board of Directors in the 311th meeting held on July 26, 2023, to write off and write back the assets and liabilities for the value of Rs. 480.28 lakhs and Rs. 710.96 lakhs respectively. The same was approved by the Board, and effect for the same is given in TANCEM's books of accounts for the FY 2022–23.

6) Sale of Land – Pollachi Taluk, Coimbatore District

TANCEM had acquired the land to the extent of 89.87 acres at Koolanaickenpatti Village, Pollachi Taluk, Coimbatore District, to mine out gypsum for captive consumption for cement manufacture at the Alangulam Unit. But the plan was dropped due to the higher landing cost and inferior quality of gypsum. Since the above land remains unused by TANCEM, a proposal for the disposal of land to SIPCOT was placed before the Board of Directors of TANCEM for approval at the 290th meeting held on May 30, 2019 and the Board approved the proposal. SIPCOT agreed to purchase 89.87 acres of land at a value of Rs. 10.33 crore and remitted the said amount in the month of December 2022.

7) Kiln Disposal at Alangulam Plant

The clinker production at the Alangulam plant was discontinued in March 2017 due to a breakdown of the kiln. In this regard, TANCEM has placed a proposal before the 311th Board meeting dated July 26, 2023, for the disposal of the kiln, and the same was approved by the Board, directing the disposal of the kiln through MSTC or NIC after due valuation. Accordingly, the disposal of the kiln at the Alangulam unit is under process as per the direction of the board.

Since valuation is pending, the financial impact of the same will be determined in a subsequent year.

8) Additional Commitment – Enterprise Social Commitment

As per MOEF Clearance No.J-11011/83/2014-IAII(I) dated September 8, 2017 for the new plant at Ariyalur, TANCEM has been directed to spend at least 2.5% of the total cost of the project of Rs. 542 crore towards the enterprise social commitment. Based on the same, out of the total commitment of Rs.1352 lakh, TANCEM has spent Rs.1309.27 lakh up to 31.03.2023. The balance of Rs.42.73 lakh will be expensed in the forthcoming years.

Since the project cost has increased to Rs.795.57 crore, TANCEM has to spent additional amount towards Enterprise Social Commitment on the increased project cost. TANCEM has placed a proposal before the 311th Board Meeting held on July 26, 2023, for the enhanced enterprise social commitment. As per the Government norms, project exceeding Rs.10 crore has to be forwarded to Project Investment Committee. In this regard, TANCEM has forwarded proposal to the Project Investment Committee to get administrative sanction for the enhanced commitment on the revised project cost. On receipt of the final approval, the enhanced cost towards Enterprise Social Commitment will be incorporated in TANCEM's books of accounts.

9) Land Acquisition – Valajanagaram, Ariyalur District

TANCEM has sent a proposal to Government for reservation of land in favour of TANCEM for exploiting of limestone reserves. Based on the request of TANCEM, Government vide G.O.Ms.No.921, Industries (M2) dated 25.08.1986 issued notification to reserve land to an extent of 1283.62 acres in Kairulabad, Valajanagaram, Periyagalur, Ameenabad, Pudupalayam and Reddipalayam Villages in Ariyalur Taluk for exploitation of limestone under rule 58 of the Mineral Concession Rules 1960. Subsequently, Government issued order in G.O.Ms.No.179, Industries (MIAI) department dated 06.07.1994 according administrative sanction for acquisition of land in Ariyalur Taluk by TANCEM.

However, the Private Cement Manufacturers viz M/s. Dalmia Cements, M/s. Ultra Tech Cements, M/s. Ramco Cements objected the land acquisition

proceedings initiated by Land Acquisition Officer in favour of TANCEM and filed various writ petition before Hon'ble High Court of Madras & leave petitions in the Hon'ble Supreme Court of India. Among the writ petition and leave petition filed by the private cement manufacturers, most of the petitions were dropped by High Court of Madras & by Supreme Court of India.

In respect of 17 writ petitions for which award has not been passed prior to Judgement, the Revenue Divisional Officer, Ariyalur has passed orders for 14 WP's by fixing land value for the lands as per New Act, i.e., Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Based on the award passed by the RDO, TANCEM has deposited Rs.804.23 lakhs with Revenue Divisional Officer, Ariyalur. The necessary patta transfers have been made in favour of TANCEM in Revenue Records.

10) Non-operational Units – SWP & TNA Sheet Unit

The stoneware pipe factory at Virudhachalam has been non-operational since May 2017 as the mining operation in clay mines was stopped by the Ministry of Environmental Forest Department due to the non-obtaining of environmental clearance.

TNA Sheet Unit has been non-functional since May 2015 due to the high cost of imported fiber and the unviable cost of production. In this regard, viability study of the Unit will be initiated by TANCEM by engaging a consultant. Once the report is received, necessary disclosure will be done in the books of accounts based on the report.

11) TRAN1 Return – Input Tax Credit

TANCEM had a total credit of Rs. 12.87 crore to be carried forward from the previous tax regime to the GST regime. Out of the said balance, TANCEM has availed a credit of Rs. 9.04 crore, and the balance credit of Rs. 3.83 crore could not be availed by TANCEM within the due date of the GST TRAN1 return. In this regard, the Board, in its 298th Board Meeting held on February 1, 2021, directed the creation of a provision in TANCEM's books of accounts. Based on the direction of the board, TANCEM has created provision for a value of Rs. 3.83 crore in the financial year 2019–20.

The GST department recently issued Circular No.180/12/2022-GST on September 9, 2022, granting additional period for revising the GST TRAN-1 return from October 1, 2022 to November 30, 2022. Based on the said circular, TANCEM has filed the revised GST TRAN-1 return within the due date. After verification of the GST TRAN-1 return, the GST department has issued an Order-in-Original No. 12/2023 dated February 27, 2023, allowing a credit of Rs. 3.07 crore and stating that the same will be credited to the electronic credit ledger of TANCEM. The balance 100% credit of Rs. 1.67 crore on capital goods cannot be claimed under the legacy returns.

For the disallowed credit of Rs. 1.67 crore, TANCEM has filed a writ petition before the High Court of Madras, and the allowed credit of Rs. 3.07 crore is yet to be reflected in the electronic credit ledger of TANCEM, for which TANCEM has written a letter to the GST department requesting to credit the eligible amount into the electronic credit ledger of TANCEM.

12) Negative Balance of Fixed Assets

TANCEM fixed assets are maintained in the ERP fixed assets module. Based on the useful life of the assets, depreciation is calculated by the system at the end of the accounting year. In the past, when the useful life of an asset expired in the middle of the year, the system calculated the depreciation for the entire year, resulting in a negative balance in some of the assets. As the assets should not show a negative balance, TANCEM has taken steps to rectify the negative balance by impacting the opening balance of depreciation for the value of Rs. 3.14 lakhs in the financial year 2022–23.

13) Dividend

As per the common dividend policy evolved by the State government vide G.O.Ms.No.123 Finance Department dated 19th May 2014, the State PSUs have to declare 30% of the Net Profit (after tax) or 30% of the paid up share capital, whichever is higher, **subject to availability of disposable profit**. As TANCEM wiped out the accumulated losses only in the current financial year, TANCEM proposed to declare 30% dividend on paid up share capital of the company

14) Energy Audit

Energy audit was carried out in the year 2020 by engaging M/s.NIN Energy India Private Limited and submitted the report which is valid for three years. With regard to the Energy Audit for the ensuing period, the tender floating is in progress and the same will be completed within the stipulated time period.

II) ACCOUNTING FOR EMPLOYEE BENEFIT:

Provision in respect of Gratuity and Leave encashment for the current year has been provided in the accounts as per the Actuary report and details are as under.

Type of Plan	Funded	Unfunded
Period of Disclosure	GRATUITY 01.04.22 to 31.03.23	Employee Leave Encashment Benefit Scheme 01.04.22 to 31.03.23
Changes in the Present Value of the Obligation (PVO) reconciliation of opening and closing balances		
PVO as at the beginning of the period	1327.43	712.66
Interest Cost	92.93	44.42
Current Service cost	56.40	-
Past Service cost (Non vested benefits)	-	-
Past Service Cost (Vested benefits)	-	-
Benefits paid	(321.70)	(159.72)
Actuarial Loss /(Gain)	126.76	251.22
PVO as at the end of the period	1281.82	848.58
Expenses Recognized in the Statement of Profit and Loss Account.	GRATUITY 01.04.22 to 31.03.23	Employee Leave Encashment Benefit Scheme 01.04.22 to 31.03.23
Current Service Cost	56.40	-
Interest Cost	92.93	44.42
Expected return on plan assets	7.15	-
Net Actuarial (Gain)/Loss recognized in the year	126.76	251.22
Opening Net Liability	1327.43	712.66
Expenses as above	268.94	295.64
Benefits Paid	(321.70)	(159.72)

Closing Net Liabilities recognized in the Balance Sheet	1088.48		712.66	
Principal Actuarial assumptions (expressed as weighted averages)	GRATUITY		Employee Leave Encashment Benefit Scheme	
	01.04.22 to 31.03.23	01.04.21 to 31.03.22	01.04.22 to 31.03.23	01.04.21 to 31.03.22
Discount Rate	7.25%	7%	7.18%	7.02%
Salary Escalation Rate	7%	7%	5%	5%
Attrition Rate	1-3%	1-3%	1-3%	1-3%
Expected Rate of Return on plan assets	7%	7%	0.00%	0.00%
Estimates of future salary increases considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				

III) ACCOUNTING FOR TAXES ON INCOME:

The company has a positive net worth of Rs. 10529.14 Lakhs as on 31.03.2023. In view of uncertainty of the period by which the deferred tax asset on carry forward losses will be realized, Deferred Tax Asset has not been recognized as a matter of prudence. No deferred tax liability on the timing difference of accumulated and current year depreciation has been recognised as the deferred tax asset on unabsorbed depreciation is more than deferred tax liability.

IV) CONTINGENT LIABILITIES & CLAIMS AGAINST COMPANY NOT ACKNOWLEDGE AS DEBTS:-

A) CLAIMS AGAINST COMPANY NOT ACKNOWLEDGE AS DEBTS:

- The Company had been occupying the 2nd Floor of L.L.A Building of 10211 sq.ft and two Garages of 237sq.ft each on a monthly rental basis till February'2022. During the year 2008, L.L.A had increased the rental rate for TANCEM's office premises. TANCEM has not accepted the increased rate and the differential rent of Rs.5.28 crore have not been accounted.
- Liquidated damages claim made by P.H.E.D. Rajasthan not acknowledged by the company since 1993-94 is Rs.56.29 lakhs.
- During the year 1993-94 and 1994-95 TWAD Board withheld Rs.12.69 lakhs by invoking price falls clause (Rate contract agreement) and Rs.10.40 lakhs

towards cost of replacement 600 mmdia pipes. Since the amount withheld is disputed, no provision made in the Accounts towards this recovery.

- d) M/s. Edel Cast India Ltd., has claimed the compensation of Rs.32.09 lakhs including interest towards the cost of materials supplied to TANCEM, which according to TANCEM was not supplied, and the matter is under Arbitration since 1997-98.
- e) Bond executed with Customs authorities towards short delivery of 1097.36 M.Ts of coal imported from China since 1990-91 is Rs. 6.93 (Rs. in lakhs).
- f) Southern Railways has raised a claim against TANCEM for Rs.30.06 lakhs which includes punitive charges (Feb'2003 –Nov'2006) of Rs.28.56 lakhs, freight under charged - Rs.0.97 lakhs and old demurrage charges – Rs.0.53 lakhs up to 13.10.2009. The claims have been disputed by TANCEM.
- g) Interest amount of Rs.145 Lakhs claimed by Singareni Collieries Company Limited on account of delayed payment made by TANCEM. The claim has been disputed by TANCEM.

B) OTHER LIABILITIES FOR WHICH COMPANY IS CONTINGENTLY LIABLE:-

1) PENDING INCOME TAX APPEALS: -

- i) Appeals are pending in various stages Income tax demand Rs.1376.86 lakhs in respect of Assessment years 1997-98, 1998-99, 2003-04, 2007-08, 2008-09 and 2017-18. Details of Income Tax Disputed Demand and Remittance of Advance Tax (in Rupees).

Asst.Year	Disputed Tax Demand	Advance Tax Remittance	Where appeal is pending
1997-98	9,40,99,106	64,02,782	High Court/ITAT
1998-99	3,41,20,652	3,41,20,652	ITAT
2003-04	5,27,797	5,27,797	ITAT
2007-08	25,48,686	-	High Court
2008-09	36,99,260	-	High Court
2017-18	26,90,403		ITAT
Total	13,76,85,904	4,10,51,231	

- ii) Demand relating to TDS compliance amounting to Rs.0.29 lakhs has been received and the rectification of the returns filled is under process. As no liability is expected once the returns are corrected, no provision has been made in the books of accounts.

S.No	Unit Name	Amount of Liability (Rs in Lakhs)
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		Since financial year 2007-08 till 2021-22	2022-23	Total
1	Corporate Office	0.04	0.00	0.04
2	Alangulam Cement Unit	0.05	0.06	0.11
3	Ariyalur Cement Unit	0.14	0.00	0.14
4	Alangulam Sheet Unit	0.00	0.00	0.00
5	Virudhachalam Stoneware Pipe Unit	0.00	0.00	0.00
TOTAL		0.23	0.06	0.29

2. PENDING SALES TAX APPEALS:-

- i) Appeals are pending in various stages with commercial tax department in respect of Assessment years 1989-90, 1990-91 to 1998-99.

Statute	Asst.Year	Disputed Tax Demand (Rs in Lakhs)	Where appeal is pending
Sales Tax Act	1989-90	38.73	Pending with Dept
-do-	1990-91	795.82	Pending with Dept
-do-	1992-93	254.33	Pending with Dept
-do-	1993-94	21.35	Dismissed back to Assessing Officer
-do-	1993-94	6.91	Appeal pending at Tribunal
-do-	1994-95	51.60	Dismissed back to Assessing Officer
-do-	1995-96	0.80	-do-
-do-	1996-97	15.07	Sales Tax Appeals
-do-	1997-98	15.00	-do-
-do-	1997-98	2.28	-do-
-do-	1998-99	2.79	-do-
Central Excise Act (CENVAT Credit Entitlement)	2008-09	237.94	Appellate Tribunal(s)
Sales Tax Act	2001-02	321.17	Pending with Dept

No provision is made for any eventual Tax Liability, pending finality.

- ii) Sales Tax of Rs. 9,78,770/- provided in the Accounts for the differential amount claimed by us from DRDA, Municipalities, Panchayat union and Town Panchayat for the Cement supplied will be remitted as and when the claims are realized from the above agency.
- iii) Due to financial crisis prevailing in TANCEM in the earlier years, the Sales Tax of Rs.88.47 crore for the period from Nov-1999 to Nov-2002 could not be

remitted to Commercial Tax Department. Later, TANCEM started remitting sales tax from 2007-08 onwards and completed the payment of Sales Taxes arrears of Rs.88.47 crore on 12.09.2014. The Government, vide G.O. (Ms.) No.162 Commercial Taxes and Registration (D2) Department dated 24.9.2010 has waived the interest up to 31.03.2010 amounting to Rs.173.78 crore. TANCEM has further requested the Government to waive the penal interest from 01.04.2010 amounting to Rs.29.13 crore. The matter is still under consideration by Government and hence the same is not provided in the Books of Accounts.

- iv) In the initial stage of AMMA CEMENT SUPPLY SCHEME, there was a delay in obtaining invoices from suppliers and sales details from godowns. Hence, TANCEM could not file returns within time and claim its ITC. TANCEM made adhoc payment of TNVAT amounting to Rs.28,00,000/- for the three months (January to March 2015). For the months of April to September 2015 ITC could not be availed, as the transactions had been filed only in December 2015 and January 2016. TANCEM has requested the Government to grant special permission to avail input VAT credit and also requested permission from Deputy Commissioner (CT) – II, Large Tax Payers Unit Chennai to allow TANCEM to file returns for the year 2014-15 and allow to file revised return for the year 2015-16. Decision in this regard is awaited.
- v) The Corporation has disputed Rs. 406.50 lakhs being the CENVAT credit taken which excise authorities disputed till 2018-19. The same is pending before Appellate Authorities for which no provision has been made since 2008-09. During 2019-20, we have adopted for Sabka Vishwas (Legal Dispute Resolution) Scheme, Rules, 2019 and got relief of Rs.168.56 lakhs tax demand. Balance of Rs.237.94 lakhs is under dispute.
- vi) TANCEM was directed vide G.O.(2D) No.33 /dt 06.06.2007 to procure the additional cement required for the District Rural Development agencies from Private Cement manufacturers for a Margin Money of Rs.2/- per bag for cement supplied. The margin money was accounted as “Other Income” in the books of accounts since 2007-08.

In 2014-15 it was decided to treat this as a trading activity. Hence VAT had to be paid to the State Government for the same. A provision for an amount of Rs.226.74 lakhs for TNVAT payable was made in the books of accounts for

the period from 2007-08 to 2014-15 and for Rs.37.14 lakhs in 2015-16. During the year 2016-17, the VAT return has been filed and the TNVAT liability for the year has also been remitted to the Government.

TANCEM has requested the Government and Commercial Tax Department to allow claiming the Input Tax on purchases from the financial year 2007-08 to 2015-16 and to waive off the prescribed time limit for the claim and decision in this regard is awaited.

Meanwhile, Service Tax Commissionerate, Chennai has issued show cause notice on the Margin Money of Rs.2/- per bag treating the same as Business Auxiliary Services. In this connection, TANCEM has been issued Order –in –Appeal NO.100/2018 (CTA-1) dated 28.02.2018 for Period April'12 to March'15 for demand of Rs.3,21,16,830/- including interest and penalty & Order-in-Appeal No.72/2019 (CTA-I) dated 20.02.2019 for period April'15 to March'17 for demand of Rs.50,11,253/- including interest and penalty. TANCEM had filed an appeal against the above order before Commissioner of GST & Central Excise.

Since, TANCEM has treated the activities as trading; the transactions will be covered under TNVAT. Hence liability for the same is not been provided in the books of accounts.

3. PENDING LEGAL CASES:

a) There are 390 LAOPs filed by the Ex land owners of which 339 cases have been disposed by the sub Court Ariyalur and the Hon'ble High Court Madras reduced the compensation from Rs.1,200/- per cent to Rs.900/- per cent along with interest for 292 cases. In this connection, TANCEM has so far deposited Rs. 729.93 lakhs for 178 cases for which Judgement copy has been received. Subsequently, TANCEM received Judgement copies recently for another 114 cases for which TANCEM is taking steps for depositing the amount of Rs.258.71 lakhs in Sub Court Ariyalur. On receipt of Judgement copy for the remaining 47 cases, TANCEM will deposit the remaining compensation amount in the court. As regards, the balance 51 cases pending at Sub Court Ariyalur, TANCEM will deposit the amount once Sub Court Ariyalur delivers the Judgement based on the earlier judgement of Hon'ble High Court of Madras.

- b) With regard to the deposit to the tune of Rs.13.23 lakhs lying with High Court of Madras, it is submitted a sum of Rs.12,39,024 has been withdrawn by the ex-land owners. As regards, the balance deposit, the withdrawal details are sought from RDO, Sivakasi.
- c) Unassessed liability towards enhanced compensation claimed by erstwhile land owners for which cases are pending in Courts and Government. Enhanced compensation of Rs.2.61 crore were awarded by the Sub-Court Srivilliputhur and Nellai to erstwhile land owners of Alangulam Cement unit. While disposing the appeal, the High Court of Madras has reduced the compensation to Rs.70.27 lakhs. Out of this an amount of Rs.12.38 lakhs has been provided. Balance amount of Rs.57.89 lakhs is still pending for the final settlement in the High Court. In this connection an amount of Rs.13.23 lakhs is lying as deposit with the High Court since 1994-95.
- d) M/s. Unicon Engineers, Coimbatore had made reference to Micro & Small Enterprises Facilitation Council (MSEFC) for claiming a balance payment of Rs.39.66 lakhs which was withheld by TANCEM. The party additionally claimed Rs.1,57,59,537/- with interest towards additional expenses incurred. Total award for a compensation amount of Rs.1,97,25,681/-with interest and also another award of Rs.6,97,986/- in the year 2016. M/s. Unicon filed execution petitions before Hon'ble High Court in E.P. No.7 of 2017 for an amount of Rs.5.88 crore and E.P. 242 of 2017 in City Civil Court for an amount of Rs.13.69 lakhs with interest. As directed by the Court, TANCEM has deposited 75% of the E.P. for a total amount of Rs.4.41 crore and Rs.10.26 lakhs in the financial year 2019-20 and filed Original Petitions in the Hon'ble High Court of Madras. As per the order of the Court, the firm has withdrawn Rs.1.50 crore from the pre deposit. On 09.09.2021, the Hon'ble High Court of Madras dismissed the OPs filed by TANCEM. Writ Petition was filed against E.P. 7 of 2017 vide W.P. No.7633 of 2022 and the same was dismissed. TANCEM filed Writ Appeal against the order of Single Judge as against E.P. 242 of 2017 TANCEM filed Writ Petition No.20580 of 2022 and the same was dismissed by Hon'ble High court of Madras. Hence, TANCEM filed SLP at Hon'ble Supreme Court of India and obtained stay and it is pending at Hon'ble Supreme Court of India TANCEM has provided provision for one third of its interest liability amounting to Rs.338.21 lakhs till financial

year 2021-22 and for the financial year 2022-23, TANCEM has created provision for the entire interest liability for the value of Rs.85.71 lakhs.

- V)** The Company provides for the expenditure to reclaim the quarries for mining based on the estimated expenditure required to be made towards restoration and the rehabilitation at the time of vacation of mines. Provision created towards Mines Restoration expenses for Rs.161.45 lakhs for the financial year 2022-23.
- VI)** As of March 31, 2021, short-term loans and advances had Rs. 2.63 crore of principal to be paid by M/s.Tamilnadu Explosives Limited towards a trade advance sanctioned by TANCEM with interest of 12% per annum. The entire principal was repaid by M/s.TEL by making the balance payment of Rs. 2.63 crore in FY 2021–22. The interest income of Rs. 66.84 lakhs had been accounted for in FY 2015-16 and 2016-17 based on credit notes received from M/s. TEL, for which payment is yet to be received by TANCEM. Credit notes had not been received from M/s Tamil Nadu Explosives Limited towards interest for the financial years 2017–18 to 2021–22. The interest for these years' works out to Rs. 2.28 crore, and the same has not been provided in TANCEM's books of accounts. M/s. TEL has requested a waiver of interest on the advance. The request has not been accepted by the management, and a letter has been sent to M/s.TEL on June 14, 2022, November 16, 2022, and March 28, 2023, requesting to pay Rs. 2.94 crore, which is the interest portion of the trade advance sanctioned by TANCEM.
- VII)** In Ariyalur unit, the stock Report (Raw Material & Tool and spares) maintained at the materials department and the corresponding stock GL in the books showed a variation of Rs.52,01,781 as on 31.03.2017. During the year 2018-19, reconciliation has been carried out from the year 2012-13 to rectify the above issue and the difference has been reduced to Rs.38,48,623/-.The said difference is under reconciliation. A committee has been formed at Ariyalur unit to reconcile the said difference in upcoming years.
- VIII)** Detoriation value of non-moving items is not ascertained; hence no provision has been made in books of accounts. Ariyalur 0.5 MTPA plant Kiln has been stopped on January 2021, TANCEM is in the process of reassessing the current

stage of the obsolete and Non-moving items in both the units for the materials which may be reused in any form for the running machineries.

- IX)** Environmental Clearance obtained for two mining leases (G.O.624 – Anandavadi limestone mines and G.O.456 – Kallankurichi limestone mines) at Ariyalur Cement Unit out of five existing mining leases. With regard to the balance three mining leases, the Environmental clearance for one mining lease (G.O.469 – Kallankurichi limestone mines) is expected to be granted within Oct'23 and two mining leases (G.O.344 – Kallankurichi limestone mines & Pudupalayam mining lease) are expected to be granted within Dec'23.

With regard to Alangulam Cement Unit, there are five mining leases for which EC process is under progress. Environmental Clearance for one mining lease (G.O.739 – Pandapuli limestone mines) will be granted within three months upon payment of penalty of Rs.60 lakh for violation of Environment (Protection Act, 1986). With regard to three mining leases (G.O.427, G.O.215 & G.O.871) EC will be obtained within Dec'23 and with respect of remaining one mining lease, the EC is expected to be granted by Mar'24.

- X)** Confirmation for Trade Receivables, Security Deposits, Claims Receivables, and Trade Creditors were obtained for selected parties.

- XI)** Two work orders were placed with M/s. Ashoka Gears, Nodia, during the year 2016 for the supply of two belt bucket elevator systems to the Ariyalur unit and one mechanical conveying system to the Alangulam unit at a value of Rs. 182.98 lakhs and Rs. 148.00 lakhs, respectively. The above party supplied materials worth Rs. 114.43 lakhs (including taxes) to Ariyalur and was paid a sum of Rs.99.24 lakhs against this supply. The last supply of materials was made by the supplier on March 21, 2017. Further supplies have not been received.

As regards the installation of a mechanical conveying system at Alangulam, an advance of Rs. 29.50 lakhs was paid against the work order for Alangulam, and so no supply of materials was effected against the advance. Towards the non-supply of materials against the advance paid by TANCEM, the Board directed TANCEM to file a civil suit against M/s Ashoka Gears, and based on the above, a civil suit was filed for early completion of the contract or claiming a penalty,

and the case is pending admission. Meanwhile, the Board, in its 298th meeting held on February 1, 2021, directed TANCEM to negotiate with M/s. Ashoka Gears, Noida, for the completion of a work order on the supply of two belt bucket elevator systems at Ariyalur Cement Works. Accordingly, several rounds of negotiations were held with M/s. Ashoka Gears, Noida, and a final decision is to be taken by the management in this regard.

XII) TANCEM had availed of a Ways and Means advance of Rs. 300 crore vide G.O. (Ms.) No. 63 dated June 5, 2017 to ensure uninterrupted progress in the implementation of the Ariyalur Cement Unit Expansion Project at the rate of 13.50% interest per annum. Subject to the condition that TANCEM has to repay the Ways and Means advance immediately to the Government of Tamilnadu once the SBI grants the term loan. TANCEM had availed of a Rs. 300 crore term loan on June 16, 2017 at the rate of 13.50% p.a. and penal interest on overdue instalments of principal and interest at the rate of 2.5% p.a. over and above the normal rate of interest, and repaid the said principal amount of Rs. 300 crore on March 27, 2018. TANCEM has requested the government waive the interest on ways and means advances. But the request from TANCEM was deferred by the government. Hence, TANCEM has included the interest component of Rs. 31.51 crore as an addition under the fixed asset schedule in the financial year 2022–23 and charged depreciation for the period 21.03.2020 to 31.03.2022 under prior period expenses for the value of Rs. 3.31 crore, and the depreciation for the financial year 2022–23 is accounted under current year expenses for the value of Rs. 1.63 crore. With regard to the penal interest of Rs. 3.95 crore from March 28, 2018 to March 31, 2023 (1829 days), it is neither paid nor provided in the books of accounts.

XIII) Under Amma Cement supply scheme, the details of scheme wise beneficiaries for the year 2022-23 are as follows”

Scheme	No of Beneficiaries
Green House	1,564
New House	6,309
PMAY (Gramin)	40,026
PMAY (Urban)	2,143

Repairs	44,435
Total	94,477

XIV) Trade receivables – Amma Cement Supply Scheme

Frequent reminder letters are being sent to the district officials for the pending collections of Rs. 1.59 crore. Due to the said issue, administrative expenses, which are payable to the godowns, are also withheld by TANCEM.

As per the audit committee direction, the reconciliation of collections via DD for the period 2014–15 to 2017–18 is to be entrusted to an audit firm by following the limited e-tender procedure. After completion of the reconciliation, the exact amount due from each godown will be arrived at and duly accounted for.

XV) Liability to pay RCM under GST – Amma Cement Supply Scheme

TANCEM has to pay GST on an RCM basis for the administrative expenses paid at the rate of 3.50 per bag of sale of cement to the RD and PR departments for the period from July 2017 under the Amma Cement Supply Scheme. The said proposal was placed before the 312th Board meeting held on August 30, 2023. The Board directed the payment of GST on storage costs with effect from April 1, 2022. The total interest liability for GST under RCM works out to Rs. 4,00,621. Out of which, interest relating to the financial year 2022–23 for the value of Rs. 1,85,453 was provided in the current year books of accounts.

4. DELAYED PAYMENTS TO MSME :

No interest provision has been provided in our books of accounts on account of any overdue payments made to MSME suppliers as per Section 15 of the MSME Act, 2006.

34. OTHER DISCLOSURE REQUIRED UNDER THE COMPANIES ACT, 2013:-

I) Value of imported and indigenous raw material, spare parts and components consumed and their percentage to the total consumption.

	As at 31.03.2023 (Rs.in Lakhs)		As at 31.03.2022 (Rs.in Lakhs)	
	Imported	Indigenous	Imported	Indigenous
a. Raw Material	1460.10 (9.67%)	13643.89 (90.33%)	2642.17 (23.03%)	8831.22 (76.97%)
b. Spare Parts & Components	-	1777.62 (100%)	-	1612.97 (100%)

Quantitative and other information relating to turnover, production, licensed capacity, installed capacity.

TURNOVER	As at 31-03-2023		As at 31-03-2022	
	Qty (in MT)	Rs. (in Lakhs)	Qty (in MT)	Rs. (in Lakhs)
i. Cement (TANCEM Units)	17,97,395	92476.80	14,84,692	71698.35
ii. Cement (DRDA Supply)	-	-	-	-
iii. Cement (Amma Cement Supply Scheme)	2,80,149	9455.03	2,55,176	8609.33
iv. Asbestos Sheets	-	-	-	-
v. A.C.Pipes	-	-	-	-
vi. Stoneware Pipes	2	0.01	2	0.03
Total	20,77,546	101931.84	17,39,870	80,307.71

Actual Production (in MT)	2022-23	2021-22
Alangulam Cement Unit		
Opening Stock	3,187	6,913
Production	3,55,160	2,76,100
Sales	3,51,934	2,79,826
Closing Stock	6,413	3,187
Ariyalur Cement Unit – 0.5 MTPA Plant		
Opening Stock	1,961	4,701
Production	4,88,636	4,69,230
Sales	4,85,844	4,71,970

Closing Stock	4,754	1,961
Ariyalur Cement Unit– 1MTPA Plant		
Opening Stock	3,736	6,635
Production	9,62,685	7,29,997
Sales	9,59,618	7,32,896
Closing Stock	6,803	3,736
Alangulam Sheet Unit		
Opening Stock	1,376	1,376
Production	-	-
Sales	-	-
Closing Stock	1,376	1,376
Vriddhachalam Stoneware Pipe Unit		
Opening Stock	208	210
Production		-
Sales	2	2
Closing Stock	206	208
Amma Cements		
Opening Stock	18,048	17,780
Purchases	2,80,485	2,55,444
Sales	2,80,149	2,55,176
Closing Stock	18,384	18,048

II) Total Depreciation Rs.4336.38 lakhs for the year has been allocated as follows:

Unit	General (P&L a/c) (Rs)	Raw Material-Limestone (Rs)	Prior Year adj. (Rs)	Total (Rs)
Alangulam Cement	41,15,345	-	-	41,15,345
Ariyalur Cement – 0.5 MTPA Plant	2,84,30,261	-	-	2,84,30,261
Ariyalur Cement – 1 MTPA Plant	39,75,99,844	-	3,31,02,159	43,07,02,003
TN Asbestos (S)	49,062	-	-	49,062
Stoneware Pipes	65,831	-	-	65,831
Corporate Office	24,64,353	-	-	24,64,353
Amma Cement Supply Scheme	9,13,354	-	-	9,13,354
Total	43,36,38,050	-	3,31,02,159	46,67,40,209

III) Promoter's shareholding:

The Shareholding of the Promoters along with changes, if any, during the Financial Year is tabulated below:

Shares held by promoters at the end of the year				% change during the year
S.No	Promoter's Name	No.of Shares*	% of Total shares**	
1.	Government of Tamilnadu	11,13,180	100	-
Total		11,13,180	100	-

IV) Trade Payables ageing schedule:

Trade payables ageing Schedule is tabulated below:

(Amt in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	537.31	2.47	1.19	6.25	547.22
(ii) Disputed MSME				46.64	46.64
(ii) Others	611.11	2.92	8.86	898.89	1521.78

V) Trade Receivables ageing schedule:

Trade Receivables ageing Schedule is tabulated below:

(Amt in Lakhs)

Particulars	Outstanding for following periods from the date of payment					Total
	Less than 6 months	6m to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed-trade receivables - considered good	946.07	-	162.38	50.11	428.07	1586.63
Undisputed-trade receivables considered doubtful	-	-	-	-	744.46	744.46
Disputed trade receivables considered good	-	-	-	-	-	-
Disputed trade receivables considered doubtful	-	-	-	-	503.56	503.56

VI) Title Deed of Immovable Property not held in name of the Company

Description of item of property	Gross Carrying Value (in Rs)	held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company* *also indicate if in dispute
Vridhachalam town block 17(56-1A, 57, 58, 59-1) 7 hectare 96 ares 50 sqmt Government Poramboke land – Factory premises	Not available	Poramboke land	Promoter – Government of Tamil Nadu	1989	Since this land is government poramboke land, the existing building and land can be enjoyed but cannot be held in the name of the company
Approach road in Viruthachalam Factory	Not available	Poramboke land	Promoter – Government of Tamil Nadu	1989	Since it is Poramboke land, the title deed could not be held in the name of the company
Kandikuppam village, Viruthachalam municipality 160/1 part and 161/1 part extent 0.5365 sqmt classified as dry land.	Not available	Tamilnadu Government Industrial training institute and Tamil Nadu Ceremics Ltd.	Promoter – Government of Tamil Nadu	1989	The patta could not be transferred in the name of TANCEM for want of documentary evidence from Tamil Nadu Ceremics Limited.
Ariyalur District and Taluk Pudupalayam village S.No. 223, 224, 228/5, 232 and 233/16. total extent of 1.26.5 Hec.	9,16,662/-	Poramboke land (Alienation of land)	Government of Tamil Nadu	2022	Since this land classified as Government poromboke.
Ariyalur District and Taluk Pudupalayam village S.No. 205, 206, total extent of 0.69.5 Hec.	6,27,537/-	Poramboke land (Alienation of land)	Government of Tamil Nadu	2022	Since this land classified as Government poromboke.
Ariyalur District and Taluk Pudupalayam village S.No. 152/15, 153/6, 156/3, total extent of 0.95.5 Hec.	9,13,545/-	Poramboke land (Alienation of land)	Government of Tamil Nadu	2022	Since this land classified as Government poromboke.

VII) Disclosure on Revaluation of Assets

Not applicable

VIII) Disclosure on Loans/ Advance to Directors/ KMP/ Related parties

Not applicable

IX) Capital Work-in Progress (CWIP)

Capital Work-in Progress ageing Schedule is tabulated below:

(Amt in Lakhs)

Particulars	Outstanding for following periods from the date of payment					Total
	Less than 6 months	6m to 1 year	1-2 years	2-3 years	More than 3 years	
Capital WIP	137.44	-	3.12	-	56.06	196.62

X) Details of Benami Property held

Not applicable

XI) Working Capital/Borrowings

TANCEM has been sanctioned a cash credit limit of Rs. 85 crore (a fund-based limit of Rs. 60 crore and a non-fund based limit of Rs. 25 crore) with a consortium of bankers (State Bank of India, Indian Bank, and Indian Overseas Bank). In addition to it, TANCEM had availed a term loan from the State Bank of India's Industrial and Finance branch towards the expansion of the Ariyalur plant. Quarterly statements of current assets filed by the company with bankers are in agreement with the books of accounts.

XII) Wilful Defaulter & End use of Funds

Not applicable

XIII) Solvency

S. No	Solvency Ratio	Formula	2022-23	2021-22	Variation in %
1	Current Ratio	Current Assets/Current Liabilities	1.21	0.92	31
2	Debt-Equity Ratio	Total Debt/Equity Ratio	3.54	7.39	52
3	Debt Service Coverage Ratio	EBITDA/ Interest + Principal	4.64	1.68	176
4	Return on Equity Ratio	Net Income/ Shareholders equity	0.62	1.42	57
5	Inventory turnover Ratio	Cost of goods sold/ Average Inventory	12.39	21.12	41
6	Trade Receivables Turnover Ratio	Net credit sales/ Average accounts receivable	4.66	1.86	151

7	Trade Payables Turnover Ratio	Net credit purchase/ Average accounts payable	24.72	20.96	18
8	Net Capital Turnover Ratio	Net Sales/ Average Working capital	12.08	12.76	5
9	Net Profit Ratio	Net Profit/ Net Sales	0.13	0.15	13
10	Return on Capital Employed	EBIT/ Capital Employed	0.25	0.23	8
11	Return on Investment	Net Income/ Cost of Investment	0.17	0.15	13

Reasons for variation if more than 25%

- Current Ratio has increased due to increase in current assets, on account of inventories and cash & cash equivalents
- Debt Equity Ratio: Due to decrease in borrowings and increase in Other Equity, the ratio has decreased from 7.39 times to 3.54 times.
- Debt Service Coverage ratio: Increase in sales has resulted in profit and has increased the ratio
- Return on Equity Ratio: Variation is on account of increase in profit and increase in other equity.
- Inventory Turnover Ratio has decreased due to increase in inventory
- Trade receivables Turnover Ratio has increased due to increase in credit sales

XIV) Details in respect of Utilization of Borrowed funds and share premium

Not applicable

XV) Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with Struck-off Company	Balance Outstanding	Relationship with the Struck off Company, if any, to be disclosed
-	Investments in securities	-	-
-	Receivables	-	-
-	Payables	-	-
-	Shares held by stuck off company	-	-
Edel Cast India (P) Ltd	Other outstanding balances	7,535	Supplier
FLS-Fuller Bulk Handling India Ltd		8,710	Supplier

XVI) Registration of charges or satisfaction with Registrar of Companies

TANCEM is in the process of satisfaction of charges with bankers as the charges are very old data. Hence it takes time for satisfaction of charges.

XVII) Compliance with number of layers of companies

Not applicable

XVIII) Compliance with approved Scheme(s) of Arrangements

Not applicable

XIX) Total Income

Adopted

XX) Undisclosed Income

Not applicable

XXI) CSR

As per Section 135 (1) of the Companies Act 2013, read with the Companies (CSR Policy) Rules, 2014, CSR is applicable for TANCEM. TANCEM will undertake CSR activities in the forthcoming year as it earned profits in the preceding financial years of 2021–22 and FY 2022–23. TANCEM has constituted a CSR Committee, and the CSR Policy has been approved in the 312th Board Meeting held on August 30, 2023. TANCEM shall comply with the provisions of the Act and rules made thereunder and will be in line with Schedule VII to the Act.

As per TANCEM's books of accounts, the CSR fund of Rs. 22.26 lakhs pertaining to the previous financial year 2021-22 remains unutilized. This unspent amount will be transferred as per Sec 135 read with Schedule VII of the companies Act 2013. Ministry of Corporate affairs vide circular 15/2020 dated 10.04.2020 has clarified that all contributions to the State Disaster Management Authority will qualify as CSR expenditure.

Since paid to State Disaster Management Authority on 26.09.2023.

During the reporting period, TANCEM had to spend Rs. 1.41 crore on CSR activities. The same will be spent during the financial year 2023–24.

XXII) Crypto Currency or Virtual Currency

Not applicable

XXIII) Loans & Advances

Rs in Lakhs

S.No	Particulars	2022-23	2021-22
A	LONG TERM LOANS & ADVANCES		
	a) Unsecured considered good		
	Deposits	2259.06	1804.10

	Sub Total	2259.06	1804.10
	b) Unsecured considered doubtful		
	Deposits	0.00	214.62
	Provision for Doubtful Deposits	0.00	(26.58)
	Sub Total	0.00	188.04
	GRAND TOTAL	2259.06	1992.14
B	SHORT TERM LOANS & ADVANCES		
	a) Unsecured considered good		
	(i) TDS Receivables		
	TDS Receivables	357.96	302.21
	Sub Total	357.96	302.21
	(ii) Advance for Goods		
	Advance for Goods	373.22	912.00
	Advance for Raw Materials	1190.35	151.24
	Advance for Trading Materials	9.31	9.31
	Sub Total	1572.88	1072.55
	(iii) Other Advances		
	Advance to Trust/Societies	0.10	0.10
	Claims Receivable	1167.88	1167.61
	Advance to Staff	25.03	29.03
	Other Advances	636.95	502.24
	Sub Total	1829.96	1698.98
	TOTAL	3760.8	3073.74
	b) Unsecured considered doubtful		
	(i) Advance for Goods		
	Advance for Goods	0.00	109.74
	Sub Total	0.00	109.74
	(ii) Other Advances		
	Claims Receivable	0.00	16.22
	Advance to Staff	0.00	0.19
	Other Advances	0.00	58.64
	Sub Total	0.00	75.05
	(iii) Provision for Doubtful Advances	(36.21)	(36.21)
	Sub Total	(36.21)	(36.21)
	(iv) Deposits		
	Deposits with Court	451.93	451.93
	Sub Total	451.93	451.93
	TOTAL	415.72	600.51
	GRAND TOTAL	4176.52	3674.27

XXIV) MISCELLANEOUS

The Fixed Assets of the company are insured against fire risks for the acquisition value.

XXV) GENERAL

- a. Previous Year figures have been re-grouped/re-stated/re-classified wherever necessary to confirm to current year classification.
- b. Amounts have been rounded off to the nearest two decimal points of lakh of rupees wherever necessary.

Further, modifications are carried out in the Notes to Accounts in para No.33(IV)(B)(1)(i) and para No.34(XXi) as considered necessary in the light of comments of Accountant General as per the resolution No.155.

For and on behalf of Board of Directors

Thiru.A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANEAN
Company Secretary

Dr. G.NATARAJAN
Director
DIN-01089846

Thiru.R.KANNAN, I.A.S
Managing Director
DIN - 08562787

As per our report of even date attached

FOR M.THOMAS & CO
Chartered Accountants
FRN: 004408S

(A.ROZARIO)
PARTNER
M.NO.021230
UDIN: 23021230BGXCZR7287

Place : Chennai
Date : 30.10.2023