



TAMIL NADU CEMENTS CORPORATION LIMITED

(A GOVERNMENT OF TAMIL NADU UNDERTAKING)

5th Floor, Aavin Illam, No.3A, Pasumpon Muthuramalinganar Salai,
Nandanam, Chennai - 600 035

Phone: 28525461, 28525471, CIN:U40200TN1976SGC007081 |

GST IN:33AABCT1819J1ZH

E-mail: tancemcs@gmail.com / WEBSITE: www.tancem.in

NOTICE TO SHARE HOLDERS FOR THE ADJOURNED 45TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty Fifth Annual General Meeting (Adjourned) of the members of Tamil Nadu Cements Corporation Limited will be held on Thursday the 17th day of February, 2022 at 11.30 AM at the Conference Hall, Industries 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 2021**, the Cash Flow Statement for the year ended **31st March 2021**, 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.

By Order of the Board

Sd/- xxxxxxxx
(ANIL MESHARAM, IAS)
MANAGING DIRECTOR

Chennai – 600 035

Date: 24.01.2022

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.

DIRECTORS' REPORT

TO

The Shareholders,
Tamil Nadu Cements Corporation Limited

The Directors have pleasure in presenting the Forty Fifth Annual Report and Audited Accounts of your company for the financial year ended 31st March 2021.

PART I: DISCLOSURES

1. COMPANY SPECIFIC INFORMATION

1.1 Financial Summary and Highlights

Particulars	2020-21	2019-20
	(Rs.in lakhs)	
Revenue from operations	42,324.01	43,697.58
Other Income	420.97	118.48
Total Revenue	42,744.98	43,816.06
Profit/loss before depreciation, Finance costs, exceptional items and tax expense	4,757.82	(1,828.92)
Less: Depreciation / Amortization / Impairment	4,206.31	524.43
Profit/loss before finance costs, exceptional items and tax expense	551.51	(2,353.35)
Less: Finance costs	5,785.91	651.72
Profit/loss before exceptional items and tax expense	(5,234.40)	(3,005.07)
Add/(less): Exceptional items	72.60	121.13
Profit/loss before tax expense	(5,305.00)	(3,126.20)
Less: Tax Expense (Current & Deferred)	-	-
Profit/loss for the year (1)	(5,305.00)	(3,126.20)
Less: Comprehensive Income/Loss (2)	-	-
Total (1+2)	(5,305.00)	(3,126.20)
Balance of profit/loss for earlier years	(9,332.75)	(6,206.55)
Add : Adjustments	-	-
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	(14,637.75)	(9,332.75)

During the year 2020-21, the company has incurred a net loss of Rs.5305.00 lakhs. when compared to the net loss of Rs. 3,126.20 lakhs during the previous year 2019-20.

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

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review

1.4. Major events occurred during the year

a) Operations

The Unit wise production achieved during the financial year 2020-21 in comparison to the previous year 2019-20 is given hereunder:

Unit	For the period ended 31.3.2021				For the period ended 31.3.2020			
	Production (in MTs)	Capacity Utilization (in %)	Sales (in MTs)	Profit/Loss (Rs. in lakhs)	Production (in MTs)	Capacity Utilization (in %)	Sales (in MTs)	Profit/Loss (Rs. in lakhs)
Alangulam Cement Unit	164520	56.73	160290	909.06	88900	30.66	89753	-513.48
Ariyalur Cement Unit –Old Plant	351544	70.31	351121	-302.03	371153	74.23	369525	-1440.13
Ariyalur Cement Unit – New Plant	297799	26.35	296506	- 5730.37	8479	0.84	3137	-949.38
Asbestos Sheet Unit	-	-	29	-10.21	-	-	30	-19.50
Stoneware Pipe Unit	-	-	2	-38.32	-	-	44	-42.97
Amma Cement	230046	-	234094	-133.1	817861	-	826597	-160.74

The operations of Kallankurichi Limestone Mines at Ariyalur District operating under G.O 456 at 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; Mines operating under G.O.469 with an extent of 66.11 ha and G.O.344 with 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.

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, Indian cement industry is second largest in the world in terms of capacity and it 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.

India's cement demand is expected to reach 550-600 Million Tonnes per annum by 2025 as per Department for Promotion of Industry and Internal Trade and with more than 537 Million Tonnes per annum of cement production capacity, India is the second largest cement producer in the world as per Department for Promotion of Industry and Internal Trade and accounts for over 8 percent of global installed capacity. The capacity utilization of Indian Cement Industry during the last 10 years has fallen from 83% to 60%. The continuous downward trend of capacity utilization is indicative of the idle capacity of over 200 million tonne which is growing year by year. The cement industry comprises about 240 large cement plants and more than 350 mini cement plants.

2.2 External environment and economic outlook during the last year

The cement industry impacted by the slowdown in the previous fiscal started recovering from the month of January 2020, but hit a roadblock with the out-break of novel corona

virus from the month of March 2020. With the total economic activity getting paralyzed, the industrial scenario was also severely impacted due to complete lockdowns of the entire country and selective extension of the lockdowns by certain states for prolonged periods. With the measures announced to provide relief to the business and with major reforms in the labour sector to provide effective social protection to migrant workers, the activities revived from the month of July 2020.

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.

1. MANAGEMENT

1.1 Directors and Key Managerial Personal

The following changes have taken place in the Board of Directors of TANCEM since the last Annual Report (2019-20)

- I. Thiru N Muruganandam, IAS was appointed as Chairman and Managing Director (Full Additional Charge) as per the Orders issued by the Government of Tamilnadu on 09.12.2020 till 20.02.2021 in the place of Thiru K V Muralidharan, IAS. Dr.M.Aarthi, IAS was appointed as Managing Director as per the Orders issued by the Government of Tamilnadu on 21.02.2021 till 14.06.2021 in the place of Thiru N Muruganandam, IAS. Thiru Anil Meshram, IAS was appointed as Managing Director as per the Orders issued by the Government of Tamilnadu on 15.06.2021 in the place of Dr.M.Aarthi, IAS.

- II. Tmt.R.Lilly, IAS, Thiru Dakshinamoorthy, IAS, Thiru L Nirmal Raj, IAS, Thiru Praveen P Nair, IAS, Thiru Sibi Adhithya Senthil Kumar, IAS, Thiru S Shanmugam and Thiru. U B Eleni were appointed as Directors as per the Orders issued by the Government of Tamil Nadu.
- III. Thiru. E. Saravanavelraj, IAS, Dr. K.S. Palanisamy, IAS, Tmt. Pooja Kulkarni, IAS Thiru. R.Ethiraj and Thiru S Shanmugam ceased to be Director during the year under report as per the Orders issued by the Government of Tamil Nadu.

The Directors are pleased to place on record their appreciation of the valuable services rendered by Thiru K V Muralidharan, IAS, Dr M.Aarthi, IAS, Thiru. E. Saravanavelraj, IAS, Dr. K.S. Palanisamy, IAS, Tmt. Pooja Kulkarni, IAS, Thiru. R.Ethiraj and Thiru S Shanmugam during the period under report.

1.2 Independent Directors

Dr. G Natarajan and Thiru P Krishnamurthi have been appointed as Independent Directors of TANCEM as per sub-section (10) of section of section 149 of Companies Act, 2013.

1.3 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.

1.4 Board Meetings

The Board met 4 times during the financial year as details below:

S.No.	Board Meeting Number	Date of Meeting
1.	296 th Board Meeting	08.09.2020
2.	297 th Board Meeting	28.12.2020
3.	298 th Board Meeting	01.02.2021
4.	299 th Board Meeting	29.03.2021

1.5 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 four times during the financial year on 24.12.2020, 13.01.2021, 19.01.2021 and 29.03.2021.

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

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

1. Managing Director/Chairman and Managing Director of TANCEM – Chairman of the Committee
2. Director representing Geology & Mining Department
3. Thiru P Krishnamurthi – Independent Director

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 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 were prepared for the financial year ended 31st March, 2021 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.

6.9 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. 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.

6.10 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)

CSR Regulations prescribed in the Companies Act, 2013 is not applicable to TANCEM considering the financial position of the Company.

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 – I and is attached to this report.

13 RISK MANAGEMENT

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

14 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.

15 AUDITORS

15.9 Statutory Auditors

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 2020-21.

15.2 Cost Auditors

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 M/s.M.Pandurangan, Cost Accountant to audit the cost accounts of the company for the year 2020-21.

16 SECRETARIAL AUDIT REPORT

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 Selvam, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the secretarial audit is annexed herewith.

The following qualification was observed by the Secretarial Auditor in his Report to which the Board has shared the following explanation:

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

Response: –TANCEM is following up with MoEF & CC and SEIAA for grant of Environmental Clearance.

17 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.

18 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.

19 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 2020 has been placed on the website of the Company and the web link of such Annual Return is www.tancem.in

20 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.

21 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) Senior Manager (P&A) - Member
- (iii) Thiru J Balachandar, Manager (P&A) – Member
- (iv) One Member representing NGO

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.

22 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.

23 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.

24 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, 2021 furnished by the Principal Accountant General, Tamil Nadu is attached to this report.

25 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

Sd/-
(Anil Meshram, IAS)
Managing Director

Sd/-
(Dr.G.Natarajan)
Director

Place : Chennai – 600 035

Date :

ANNEXURE TO DIRECTORS' REPORT
TAMIL NADU CEMENT CORPORATION LIMITED, CHENNAI-600 035.
STATEMENT PURSUANT TO SECTION 134(3) (C) OF THE COMPANIES ACT 2013
READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

<p>i. Energy Conservation Measures taken</p>	<p>1. Stoppage of Cement Mill motors during peak hours (6AM TO 9PM & 6PM TO 9PM) to avoid surcharge by TANGEDCO.</p> <p>2. In our TNC Colony street lighting, 250Watts Sodium Vapour lamp fitting are replaced by 72watts LED fitting.</p> <p>3. Alternative switching ON 6 nos. distribution transformers in the cement plant to conserve energy.</p> <p>Ariyalur Cement Works Nil New 1 MTPA plant at Ariyalur Nil TNA., Alangulam Nil Stoneware Pipe Factory Nil</p>
<p>ii. Additional investments and proposals if any, being implemented for reduction of consumption of Energy</p>	<p>250watts Sodium vapour lamp street light fittings are replaced with 72watts LED fitting hence energy consumption is reduced from 6480 KWh to 1866 KWh.</p> <p>Ariyalur Cement Works Nil New 1 MTPA plant at Ariyalur Nil TNA., Alangulam Nil Stoneware Pipe Factory Nil</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>1. By replacing 50HP motor with 40HP motor, hence 7.5 units reduced per hour of operation of motor.</p> <p>2. By replacing street light fitting of 250watts Sodium vapour lamp with 72watts LED fitting hence energy consumption is reduced. We have saved amount rupees of 21,210/- per year.</p> <p>3. By switching OFF 5 nos. distribution transformers to avoid transformer loss and thereby saving of approx. 1,050 KW hours per day</p> <p>Ariyalur Cement Works Nil</p>

	New 1 MTPA plant at Ariyalur Nil TNA., Alangulam Nil Stoneware Pipe Factory Nil
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.	Alangulam Cement Works Particulars given in Form-A Ariyalur Cement Works Particulars given in Form-A New 1 MTPA plant at Ariyalur Particulars given in Form-A TNA., Alangulam Particulars given in Form-A Stoneware Pipe Factory Particulars given in Form-A

B. Technology Absorption

v. Efforts made in Technology Absorption as per Form-B of the Annexure	Alangulam Cement Works Nil Ariyalur Cement Works Nil New 1 MTPA plant at Ariyalur Nil TNA., Alangulam Nil Stoneware Pipe Factory Nil
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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.	Alangulam Cement Works Nil Ariyalur Cement Works Nil New 1 MTPA plant at Ariyalur Nil TNA., Alangulam Nil Stoneware Pipe Factory Nil									
	<table border="1"> <thead> <tr> <th></th> <th>2020-21</th> <th>2019-20</th> </tr> </thead> <tbody> <tr> <td>vii. Total foreign exchange used</td> <td>Nil</td> <td>--</td> </tr> <tr> <td>viii. Total foreign exchange earned</td> <td>Nil</td> <td>--</td> </tr> </tbody> </table>		2020-21	2019-20	vii. Total foreign exchange used	Nil	--	viii. Total foreign exchange earned	Nil	--
	2020-21	2019-20								
vii. Total foreign exchange used	Nil	--								
viii. Total foreign exchange earned	Nil	--								

ANNEXURE TO DIRECTORS REPORT

TAMILNADU CEMENTS CORPORATION LIMITED, CHENNAI-600 035.

FORM-A

Particulars

1.ELECTRICITY:

a. Purchased:

Alangulam			Ariyalur		
	2020-21	2019-20		2020-21	2019-20
Unit (KWH)	63,80,091	37,77,994	Unit (KWH)	270,31,000	531,18,081
Total Amount (Rs. in lakhs)	556	374	Total Amount (Rs. in lakhs)	2,167.33	4,054.41
Cost/Unit (Rs./KWH)	8.72	9.91	Cost/Unit (Rs./KWH)	8.02	7.63

New 1 MTPA plant, Ariyalur			TNA., Alangulam		
	2020-21	2019-20		2020-21	2019-20
Unit (KWH)	399,50,000	70,64,300	Unit (KWH)	Nil	Nil
Total Amount (Rs. in lakhs)	3,670.26	918.61	Total Amount (Rs. in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	9.19	13.07	Cost/Unit (Rs./KWH)	Nil	Nil

Stone Ware Pipe		
	2020-21	2019-20
Unit (KWH)	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil

b. Own Generation:

i. Through Diesel Generator:

Particulars	Alangulam		Ariyalur - Old		Ariyalur -New		TNA Alangulam	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Unit Generated (KWH)	Nil	Nil	6,000	13,200	Nil	Nil	Nil	Nil
Units per litre of diesel	Nil	Nil	2.79	3.30	Nil	Nil	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil	32.90	28.18	Nil	Nil	Nil	Nil

Particulars	Stoneware Pipe	
	2020-21	2019-20
Unit Generated (KWH)	Nil	Nil
Total Amount (Rs.in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil

ii. Through Steam:

Particulars	Alangulam		Ariyalur		New 1 MTPA plant at Ariyalur		TNA Alangulam	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
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	
	2020-21	2019-20
Unit Generated (KWH)	Nil	Nil
Total Amount (Rs.in lakhs)	Nil	Nil
Cost/Unit (Rs./KWH)	Nil	Nil

2. COAL (Indigenous):

Particulars	Alangulam		Ariyalur		New 1 MTPA plant at Ariyalur		TNA Alangulam	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Quantity (Tonnes)	Nil	Nil	24,326.80	68,165	74,864.76	11,629	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	1,647.642	5,068.97	5,561.48	871.19	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil	6,772.95	5,288.85	7,428.71	7,491.57	Nil	Nil

3. COAL (Imported):

Particulars	Alangulam		Ariyalur		New 1 MTPA plant at Ariyalur		TNA Alangulam	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Quantity (Tonnes)	Nil	Nil	3,290.78	3,357	1,115.51	Nil	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil	232.57	268.64	78.76	Nil	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil	7,067.29	6,658.75	7,060.14	Nil	Nil	Nil

4. LIGNITE:

Particulars	Alangulam		Ariyalur		New 1 MTPA plant at Ariyalur	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
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

5. PETCOKE:

Particulars	Stone Ware Pipe	
	2020-21	2019-20
Quantity (Tonnes)	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil

6. FIREWOOD:

Particulars	Stone Ware Pipe	
	2020-21	2019-20
Quantity (Tonnes)	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil
Average Rate (Rs./MT)	Nil	Nil

7. CHARFINES:

Particulars	Alangulam		Ariyalur		New 1 MTPA plant at Ariyalur	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
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

8. V.R.B.CHIPS:

Particulars	Alangulam		Ariyalur		New 1 MTPA plant at Ariyalur	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
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

9. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	Alangulam				Ariyalur			
	2020-21		2019-20		2020-21		2019-20	
	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)	38.00	35.39	40.00	34.65	120.50	135.60	123.11	135.78
Coal Qty in % per MT of Clinker	0.00	0.00	0.00	0.00	24.+00	24.58	23.00	25.22

Particulars	New 1 MTPA plant at Ariyalur				Stone Ware Pipe			
	2020-21		2019-20		2020-21		2019-20	
	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)	77.81	83.07	74.50	206.74	Nil	Nil	Nil	Nil
Coal Qty in % per MT of Clinker	16.00	17.48	17.50	20.54	Nil	Nil	Nil	Nil

ANNEXURE TO DIRECTORS' REPORT

TAMILNADU 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	<u>Alangulam Cement Works</u> Nil <u>Ariyalur Cement Works</u> Nil <u>New 1 MTPA plant at Ariyalur</u> Nil <u>TNA., Alangulam</u> Nil <u>Stoneware Pipe Factory</u> Nil
4. Expenditure of R&D a. Capital b. Recurring Z c. Total d. Total R&D Expenditure as a % of Total Turnover	Nil Nil Nil Nil

Technology, Absorption, Adaption and Innovation:

<p>1. Efforts, in brief, made towards Technology, Absorption, Adaption and Innovation</p>	<p>Nil</p>
<p>2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitutions etc.</p>	<p>Nil</p>
<p>1. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:</p> <ul style="list-style-type: none">a. Technology importedb. Year of importc. Has technology been fully absorbed?d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.	<p>Nil Nil Nil Nil</p>

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ARS & Co.,
Company Secretaries in Practice
Insolvency Professional &
Registered Valuer (S & FA)
Certified Forensic Auditor

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MGR Nagar, K.K.Nagar,
Chennai - 600078.
Off Tel : 45536036, 8903003636
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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 31.03.2021

To
The Members,
Tamilnadu Cements Corporation Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tamilnadu 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 31.03.2021, 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 Tamilnadu Cements Corporation Limited for the financial year ended on 31.03.2021 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**)



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



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(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
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 44th Annual General Meeting held on 28th December 2020 & adjourned AGM held on 23rd April 2021;
 - 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.



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-
- k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- 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 2020-21 in AGM convened on 28.12.2020 as per C&AG letter dated 10.12.2020
- 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) 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;
- s) Directors' report;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

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



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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 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
03.01.2022



M. ASIR RAJA SELVAN
Practicing Company Secretary
Membership No: A46402
COP : 19336
UDIN : A046402C002027656

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**

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'Annexure -1'

To
The Members
Tamilnadu Cements Corporation Limited
Local Library Authority Bldg., IInd Floor,
735, Anna Salai, Chennai 600002.

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
03.01.2022




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



INDEPENDENT AUDITOR'S REPORT

To the Members of Tamilnadu Cements Corporation Ltd

Report on the Audit of the Standalone Financial Statements

We have audited the standalone financial statements of **TAMILNADU CEMENTS CORPORATION LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss, the Cash Flow Statement for the year ended 31st March 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

This is a revised audit report superseding our earlier audit report dated 25.11.2021 taking into consideration the preliminary comments of the Senior Deputy Accountant General, Office of the Accountant General (Audit-II), Tamilnadu & Puducherry vide their letter No. AG (AU-II)/OAD (II)/VII/30A-44/2021-22 dt.28.12.2021. Basis for Qualified Opinion No.5 & 6 have been added in this report. This Revised Audit Report is issued as per Audited Financial Statements dated 25.11.2021.

Opinion

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 of the Company as at March 31, 2021 and the Loss 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.

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. As per the G.O. the rate of interest fixed was 13.00 % 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. However interest amounting to Rs.30.96 crores and penal interest payable amounting to Rs.2.33 Crores were neither paid nor provided in the books of account resulting in understatement of Loss and liability to the same extent. Refer Notes forming part of accounts – Note No.30 (XIV)



- 2 Capital Work in Progress of Rs. 948.06 Lakhs includes the following:-
- (a) Alangulam Works (Modernization Project) – Rs.43.64 Lakhs
(pending from 2011-12)
 - (b) Extension of Stoneware Pipe Unit – Rs.2.63 Lakhs (pending from 31.01.2018)

Though the above two projects have been abandoned, the amounts continue to be exhibited under the Capital Work in Progress resulting in over statement of assets and understatement of loss – Refer Notes forming part of accounts Note No.30(VII)

- (c) This also includes one item Purchased by Ariyalur plant (Old) on 02.01.2018-Rs.41,30 Lakhs. It is not clear whether this capital item is still held as stock. In the absence of adequate information, the impact of the same on the financial statements is not ascertainable
 - (d) Further a sum of Rs 841.25 Lakhs on account of land acquisition in Ariyalur plant is included in the above. However breakup of different heads of expenses included in this item is not available. In the absence of adequate information, the impact of the same on the financial statements is not ascertainable .Refer Notes forming part of accounts Note No.30(IV)(B)(3)
- 3 Non-Moving and Obsolete inventories as on 31.03.2020 was Rs.246.63 Lakhs as per the Audit Report for the year 2019-20 whereas during 2020-21 Ariyalur Unit identified only Rs.34.36 Lakhs as Obsolete. No reconciliation is available for the reduction. Also a sum of Rs.12.87 Lakhs has been reported by Ariyalur Unit as theft in stores. No provision for the same has been made in the accounts consequently the loss is understated and assets are overstated to that extent.
- 4 As on 31.03.2021 the Closing Stock of Amma Cements as per books is 513.96 Lakhs and as per confirmation received from various Godowns of RD & PR, TNCSC and TNCDW departments, the amount is Rs.172.81 Lakhs, resulting in difference in value of closing stock amounting to Rs.341.15 Lakhs. Reconciliation of the same is in progress. The impact of the same on the financial statements is not ascertainable.
- 5 The Company has incurred a sum of Rs.1025.39 lakhs upto 31-03-2020 and Rs.66.94 lakhs during financial year 2020-21 totalling to Rs.1092.33 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 1MTPA plant in Ariyalur which started commercial operation on 21-03-2020. The total sum of Rs.1092.33 Lakhs incurred towards Enterprise Social Commitment has been debited to Profit & Loss Account of the respective years of occurrence. Note No.9(Fixed Assets) of 31-03-2021 which exhibits the value of Property, Plant & Machinery does not include the above expenditure of Rs.1092.33 Lakhs which should have been capitalised as part of Fixed Asset in accordance with the opinion of Expert Advisory Committee of ICAI (April, 2015). This has resulted in overstatement of Loss / Reserves(Cumulative Loss) and understatement of cost of Plant & Machinery to that extent.
- 6 The Company has not provided the Annual Compensation Charges of Rs.536.87 Lakhs payable from 2012-13 to 2018-19 as per the demand notice dated 29.01.2020 raised by the District collector, Virudhunagar payable for mining lease in Virudhunagar district which has resulted in understatement of Manufacturing Expenses and Loss for the year to that extent.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance 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 communicate in our report.

Emphasis of Matter

- (1) We draw attention to Note No. 30 (iii) to the financial statements, which describes the uncertainties and the impact of the COVID-19 pandemic on the company's operations and results as assessed by the management. The Management has assessed that there is no material impact on the financial statements due to lock down and related restrictions imposed towards controlling the COVID 19 pandemic.
- (2) There are long pending items (More than 3 years) in both receivables and payables as shown below:
Payables Rs: 4311.81 Lakhs
Receivables Rs: 1001.41 Lakhs
Some of the item included in above are taken during migration to ERP in 2012 and amounts are getting repeated every year without there being any kind of details.
- (3) 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.30 IV(A)(g))
- (4) Sundry Creditors A/C (GL:61502) in the books of Amma Cements shows a balance of Rs.411.10 Lakhs as on 31.03.2021, out of which a Debit balance of Rs.15.87 Lakhs is recorded under the Supplier Ledger "A", which reflects unreconciled Balances.
- (5) As per the directives of the MoEF, Mandatory CSR Expenses relating to Ariyalur Expansion Plant has to be incurred amounting to Rs.1352 Lakhs against which Rs.1135.95 Lakhs has been spent upto 31.03.2021 and charged to Profit and Loss Account in the respective years. Further an advance of Rs.163.30 Lakhs was paid on 26.03.2021 to Government Hospital Ariyalur for medical equipment and the same is exhibited under Short Term Loans and Advances. Balance of 52.75 Lakhs is expected to be spent during 2021-22 - Refer Notes forming part of accounts Note No.30 (VI)

PageNo.3/7



- (6) (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)
1	Tamilnadu Electricity Board	960.64
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.30 (XII)

7. Bonus payable to the employees of the Company is accounted on cash basis. Refer Notes forming part of accounts Note No.29(I).

Our opinion is not modified in respect of these matters (1 to 7).

Page No.4/7



Other Matters

Information Other Than the Financial Statements and Auditor's Report Thereon as per SA 720

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, financial performance, changes in equity 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 thereunder.

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.

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.

Page No.5/7



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.

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.

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Report on Other Legal and Regulatory Requirements

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

As required by the Companies (Auditor's Report) Order, 2016(the Order) issued by the Central Government in terms of Section 143(11) of the Act, we enclose in "Annexure C" 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. 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.
- b. 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.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. 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.
- f. 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 D".
- g. 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 does have pending litigations having financial implications and the same has been disclosed in notes to accounts.
 - 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.

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

(A.Rozario)
Partner
Membership No.021230
UDIN: 21021230AAAAXK5610



Place: Chennai – 600004
Date: 12.01.2022

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

Report on Direction by Comptroller & Auditor General 2020-2021

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 2020-2021.
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. Also there is a difference of 13,105.37 Mts, between TANCEM books and godown's records 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:30 (IV)(B)-"Notes forming part of Accounts" For Incurring Legal expenditure approvals are obtained from competent authority. There are no foreign legal cases.



Annexure B - Report to AG on Additional Sub Directions 2020-2021

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 of production.</p> <p>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;"> <thead> <tr> <th></th> <th style="text-align: center;">OPC</th> <th style="text-align: center;">PPC</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">Rate per Bag</th> </tr> </thead> <tbody> <tr> <td>a) On Cash and Carry basis</td> <td style="text-align: center;">Rs.346</td> <td style="text-align: center;">Rs.320</td> </tr> <tr> <td>b) On 60 Days credit basis</td> <td style="text-align: center;">Rs. 351</td> <td style="text-align: center;">Rs.325</td> </tr> </tbody> </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												



Sl. No	Particulars	Auditor's Comments
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>
3.	What is the system of valuation of By-products and finished products? List out the cases of deviation from its declared policy.	<p>(i) There are no By-products for the company hence Not Applicable.</p> <p>(ii) Closing stock of Finished goods is valued at cost price or market price whichever is lower.</p>
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?	<p>(i) There is no specific system of Physical verification of stores & spares and raw materials on regular basis. Through a circular dated 19.02.2021, the Corporate Office issued instructions to all the units to conduct physical verification of inventory and assets, but as per explanation given by the company, the same could not be carried out due to COVID - 19 Pandemic outbreak.</p> <p>(ii) Obsolete and Non-moving Items as on 31.03.2020 is reported as 246 .63 lakhs in the Audit Report for the year 2019-2020. However as per the inventory verification carried out in Ariyalur Unit in August 2021, obsolete items (1149 Nos) valuing Rs 34.36 have been identified. In the absence of adequate system and record to identify the obsolete items the actual value of obsolete items remains unascertained. Also the inventory verification carried out in Ariyalur Unit in August 2021 has identified theft of inventory valuing Rs.12.87 Lakhs.</p>

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Sl. No	Particulars	Auditor's Comments
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 2020-2021 provision amounting to Rs.1,48,093/- has been made resulting in the total provision of Rs. 66,66,983 as on 31 st March 2021 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 Clearance for all the mines is expected to be obtained during December 2021 to July 2022.
7.	State the extent of utilization of Plant and Machinery during the year vis-a-vis installed capacity.	<u>Refer Annexure B1</u>

Annexure B1- Utilization of Plant and Machinery against Installed Capacity -

PARTICULARS	INSTALLED CAPACITY IN MTS	UTILIZATION (PRODUCED) IN MTS	%	REMARKS
CEMENT UNITS				
(1) Ariyalur Cement Works(Old Plant)	5,00,000	3,51,544	70.31	
(2) Ariyalur Expansion Plant	11,30,000	2,97,799	26.35	
(3) Alangulam Cement Works	2,90,000	1,64,520	56.73	
ASBESTOS PRODUCTS				
(1) Asbestos (sheet), Alangulam	28,500	0	0	Only Closing Stock of 19-20 has been sold during the year.
STONEWARE PRODUCTS				
(1) Stoneware Pipe Unit, Virudhachalam	7,200	0	0	Only Closing Stock of 19-20 has been sold during the year.

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"ANNEXURE C" 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 Tamilnadu Cements Corporation Ltd.)

(i)

- a) The company has maintained proper records in ERP showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have not been physically verified by the management during the year due to outbreak of COVID-19 Pandemic. As represented by the management, this will be carried out during the subsequent period.
- c) In the absence of such physical verification, we are unable to comment, whether there were any material discrepancies between fixed assets physically available and the fixed assets as per books of account.
- d) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

(ii)

- a) The management has the practice of conducting physical verification of inventory only at the year end. The year end physical verification of inventory was not carried out during the year due to prevalence of Covid pandemic/ lock down. However physical verification of inventory was carried out subsequently.
- b) Since there was no physical verification of inventory at the year end this year we are unable to report on the discrepancies noticed on verification between the physical stocks and the books /records.
- c) In respect of Amma Cements, Stock lying in various Godowns are not physically verified by the Officials of TANCEM. Also confirmation of stock held by some of the Godowns were not received.

(iii)

The company has provided loan to Tamilnadu Industrial Explosive Ltd (TEL) The company has stopped charging interest on this loan with effect from 01.04.2017. As per the confirmation given by TEL, the balance outstanding as on 31.03.2021 is Rs.3,15,91,630.34, whereas as per the books of TANCEM the outstanding balance is Rs 3,36,02,895/- difference is under reconciliation.

(iv)

The provisions of Section 185 and 186 of Companies Act,2013 are not applicable to the company.




- (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 Companies Act, 2013, 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) According to the information and explanations given to us and on the basis of our examination of the books of account in respect of statutory dues, the company has generally been regular in depositing undisputed statutory dues. However there are certain statutory dues such as TDS, Sales tax, which are under dispute (Refer Annexure C1).
- (viii) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government. The company has not issued any debenture.
- (ix) The company has not raised money by way of initial/public offer or further public offer during the Current year.
- (x) In our opinion and according to the information and explanations given to us, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year, excepting the Ariyalur plant which has reported theft of 33 items of stores valuing Rs 12.87 lakhs.
- (xi) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly the provisions of clause (xii) of Para 3 of the Order 2016 is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

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- (xiv) According to the information and explanations give to us, the company has not made a Preferential allotment or private placement shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) or Para 3 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with them as referred to in Section 192 of the Act. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause (xvi) of Para 3 of the Order 2016 is not applicable to the company.

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


(A.Rozario)
Partner
Membership No.021230
UDIN: 21021230AAAAXK5610

Place:Chennai -600004
Date: 25.11.2021



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ANNEXURE C-1 TO CARO REPORT - 2020-2021
STATUORY 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 Department
2	Sales Tax Act	1990-91	795.82	Pending with Department
3	Sales Tax Act	1992-93	254.33	Pending with Department
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	51.6	Dismissed back to Assessing Officer
7	Sales Tax Act	1995-96	0.8	Dismissed back to Assessing Officer
8	Sales Tax Act	1996-97	15.07	Sales Tax Appeals
9	Sales Tax Act	1997-98	15	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	Income Tax Act	1997-98	940.99	High Court
14	Income Tax Act	1998-99	341.2	ITAT
15	Income Tax Act	2003-04	5.28	ITAT
16	Income Tax Act	2007-08	25.48	High Court
17	Income Tax Act	2008-09	36.99	High Court
18	Income Tax Act	2019-20	5.29	Pending with Department
19	Income Tax Act	Prior Years	2.32	Liability could not be ascertained as it relates to the period before 2007-08.





ANNEXURE D

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Tamilnadu 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 **TAMILNADU CEMENTS CORPORATION LIMITED**("the Company"), as of 31st March, 2021 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.

Pg.No.1/4



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.

Pg.No.2/4



Qualified 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, except the matters referred to in Annexure D1 here to, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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.

'Annexure-D1' to the report on the Internal Financial Controls under clause (1) of subsection 3 of section 143 of the Companies Act, 2013 ("the ACT")


- 1) The company's entire accounting function is maintained in ERP and the Database and System (Oracle) administration is outsourced to a private Vendor. The company should have adequate controls regarding software program changes, maintenance and configuration
- 2) Employee User Login Credentials are shared with staff of outsourced vendor sometimes which should be avoided.
- 3) For Amma Cement Scheme, there is a separate Web based programme. As per PO issued to vendor, the integration of only Finance Data in the ERP is provided.
- 4) There are old entries which are continuing since ERP was introduced in 2012 particularly in sales accounting, payables etc which do not contain any details of the balances.
- 5) Though there is facility in ERP for preparation for financial statements, there is no option to make corrections in ERP year on year basis while corrections/ regrouping are carried out during preparation of financial statements. Corrections if effected in ERP changes the values (amount) already taken for presentation of financial statement of earlier years.
- 6) Though Sales and Marketing, Finance and Accounting, Material Management etc are covered by ERP from the year 2012, there is no record of systems audit having been conducted at any time till date.

Pg.No.3/4



- 7) The Company needs to improve the internal control systems with regard to fixed assets in the area of timely capitalisations, cost to be capitalized and physical verification and consequent identification of losses, damages and impairment.
- 8) The Company needs to have proper system in place for the regular physical verification of inventories throughout the year in a phased manner with proper classification of High Value Items. Obsolete stores are to be identified periodically and necessary provision should be made in the accounts.
- 9) There is mismatch between closing stock of cement held in the books of Corporate Office and the Closing Stock declared by godowns under the Amma Cement Scheme where the reconciliation has to be speeded up.

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


(A. Rozario)
Partner
Membership No.021230
UDIN: 21021230AAAAAXK5610

Place:Chennai - 600 004
Date:25.11.2021



Pg.No.4/4

ADDENDUM

M/s.TAMILNADU CEMENTS CORPORATION LIMITED

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 31.03.2021 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. As per the G.O. the rate of interest fixed was 13.00 % 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. However interest amounting to Rs.30.96 crores and penal interest payable amounting to Rs.2.33 Crores were neither paid nor provided in the books of account resulting in understatement of Loss and liability to the same extent. Refer Notes forming part of accounts – Note No.30 (XIV)</p>	<p>TANCEM has requested to provide interest free bridge loan to the tune of Rs.300 crore towards Ariyalur cement unit expansion project as there is a delay in sanction of loan by State Bank of India (SBI). GO TN (letter No.G.O.(Ms) No.63 dated 05.06.2017 sanctioned TANCEM request by way of ways and means advance of Rs.300 crore towards uninterrupted progress in the implementation for Ariyalur Cement Expansion Project.</p> <p>TANCEM has drawn ways and mean advance of Rs.300 crore on 16-06-2017 and repaid the same on 27-03-2018 to Government. Interest was not paid as we have requested for Interest wavier considering the timely repayment of the ways and means advance by TANCEM. TANCEM has not received any acceptance nor have they rejected the waiver of Interest. Thus, TANCEM has not considered in our Books of Accounts as it is not confirmed liability. Therefore, interest liability of Rs.30.96 crore was not capitalized.</p> <p>TANCEM expect that considering the financial crises and COVID 19 impact Government of Tamil nadu will consider our wavier request of Interest amounting to Rs.30.96 crore. Thus, it is not capitalized against the new project and does not lead to understatement of project cost.</p>

2.

Capital Work in Progress of Rs. 948.06 Lakhs includes the following:-

a) Alangulam Works (Modernization Project) – Rs.43.64 Lakhs (pending from 2011-12).

b) Extension of Stoneware Pipe Unit – Rs.2.63 Lakhs (pending from 31.01.2018).

Though the above two projects have been abandoned, the amounts continue to be exhibited under the Capital Work in Progress resulting in over statement of assets and understatement of loss – Refer Notes forming part of accounts Note No.30(VII)

c) This also includes one item Purchased by Ariyalur plant (Old) on 02.01.2018- Rs.41,30 Lakhs. It is not clear whether this capital item is still held as stock. In the absence of adequate information, the impact of the same on the financial statements is not ascertainable.

d) Further a sum of Rs 841.25 Lakhs on account of land acquisition in Ariyalur plant is included in the above. However breakup of different heads of expenses included in this item is not available. In the absence of adequate information, the impact of the same on the financial statements is not ascertainable .Refer Notes forming part of accounts. Note No.30(IV)(B)(3)

The Capital Work in progress includes an amount of Rs.42.64 lakhs spent on Modernization of Alangulam unit. The same was subsequently dropped by the Board and is awaiting final decision from Government of Tamil Nadu. On receipt of the Government's decision, necessary entries will be passed in the books of accounts.

Rs.2.63 lakhs spent on extension of Stoneware pipe unit and the same was subsequently dropped by the Board and is awaiting final decision from Government of Tamil Nadu. On receipt of the Government's decision, necessary entries will be passed in the books of accounts. Consultant has been engaged to suggest the viable options for operating the unit.

This items 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 FY 2021-2022.

There are 390 LAOPs filed by the Ex land owners of which 319 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.5,08,60,742 for 123 cases for which Judgement copy has been received. On receipt of Judgement copy

		<p>for the remaining 169 cases, TANCEM will deposit the remaining compensation amount in the court. As regards, the balance 71 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.</p> <p>With regard to lying of deposit to the tune of Rs.13.23 lakhs with High Court of Madras, it is submitted that a sum of Rs.7,41,131 was withdrawn by the ex land owners. As regards, the balance deposit, the withdrawal details are sought from RDO, Sivakasi. Interest on the land acquisition calculated upto 31.03.2021 is Rs.703.77 lakhs.</p>
3.	<p>Non-Moving and Obsolete inventories as on 31.03.2020 was Rs.246.63 Lakhs as per the Audit Report for the year 2019-20 whereas during 2020-21 Ariyalur Unit identified only Rs.34.36 Lakhs as Obsolete. No reconciliation is available for the reduction. Also a sum of Rs.12.87 Lakhs has been reported by Ariyalur Unit as theft in stores. No provision for the same has been made in the accounts consequently the loss is understated and assets are overstated to that extent.</p>	<p>Committee has been formed in Ariyalur and after identifying the Non-moving and absolute items it has been decided to upload the list in the TANCEM website for eventual offer from any prospective buyer as inventory materials. In the absence of interested parties, the same is proposed to be disposed through MTSC after obtaining necessary approval from Board.</p> <p>TANCEM has appointed contract employees and reconciliation for the same is in progress. The implication of the long pending items will be brought into 2021-22 books of accounts.</p>
4.	<p>As on 31.03.2021 the Closing Stock of Amma Cements as per books is 513.96 Lakhs and as per confirmation received from various Godowns of RD & PR, TNCSC and TNCDW departments, the amount is Rs.172.81 Lakhs, resulting in difference in value of closing stock amounting to Rs.341.15 Lakhs. Reconciliation of the same is in progress. The impact of the same on the financial statements is not ascertainable.</p>	<p>We have formed a committee for reconciliation of closing stock difference of 13105.37 MTs in the upcoming year. In order to have full control on receipts and sales by the Godown V-Collect system has been introduced in tie up with the Indian Bank in 2019-20.</p> <p>In this system, Amma cement server is linked with Indian bank server for automatic updation of V collect report in our website, in the concerned godown</p>

IDs and the godowns can create sales invoice, only to those beneficiaries whose amount has been received by TANCEM, hence ensuring that only after actual receipt of money by TANCEM, cement is issued to the beneficiary.

By this system TANCEM had control on supply, sales and closing stock. The Purchases and sales are being monitored and reconciled by the Amma Cement cell in TANCEM corporate office on daily basis and these purchase and sales are taken to the books of accounts automatically from online software.

Though, we are having the online software, every year abstract as on 31st March is obtained from every godown dully authorised by the district AD(Audit). In this abstract there may be mismatch of Closing stock as on 31st March. This difference in closing stock by godowns will not be accepted. The godowns will be asked to revise the abstract by reconciling the closing stock as per online.

The closing stock of 3356.55 MTs authenticated by godowns can't be taken as closing stock in the books of accounts because day to day purchase and sales are monitored in the V-Collect system, and closing stock as per online software is accounted in the books.

Stock as per Books of Accounts = 17780.32 MTs

Stock as per Online = 4674.95 MTs

Difference in stock = 13105.37 MTs

This fact has been qualified by the Statutory auditors in his report. The reconciliation for this difference of 13105.37 MTs is under process.

5.	<p>The Company has incurred a sum of Rs.1025.39 lakhs upto 31-03-2020 and Rs.66.94 lakhs during financial year 2020-21 totalling to Rs.1092.33 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 1MTPA plant in Ariyalur which started commercial operation on 21-03-2020. The total sum of Rs.1092.33 Lakhs incurred towards Enterprise Social Commitment has been debited to Profit & Loss Account of the respective years of occurrence. Note No.9(Fixed Assets) of 31-03-2021 which exhibits the value of Property, Plant & Machinery does not include the above expenditure of Rs.1092.33 Lakhs which should have been capitalised as part of Fixed Asset in accordance with the opinion of Expert Advisory Committee of ICAI (April, 2015). This has resulted in overstatement of Loss / Reserves(Cumulative Loss) and understatement of cost of Plant & Machinery to that extent.</p>	<p>As per the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, An expenditure incurred by an organization on account of 'Corporate Social Responsibility' may give rise to an 'Asset'. In this context definition of the term "Asset" as per the Framework For Preparation and Presentation of Financial Statement issued by the ICAI is "A resource controlled by an enterprise as a result of past events from which future economic benefits are expected to flow to the enterprise."</p> <p>CSR expenditure incurred by TANCEM amounting to Rs.1092.33 Lakhs is spent for Infrastructure facilities in Ariyalur Government Hospital, Basic Amenities for Government & Panchayat Union Schools and Greenery Development and Infrastructure facilities in and around Ariyalur.</p> <p>In consideration of the above points, Expenses incurred on CSR Activities do not qualify to be recognized as an asset since TANCEM exercises no control over them. It should also be observed that there are no future economic benefits that flow into enterprise in respect of CSR Activities. Therefore, in accordance with the Guidance Note issued by the ICAI, we are of the opinion that, it is appropriate to charge CSR activities as expenses to the Statement of Profit or Loss.</p>
6.	<p>The Company has not provided the Annual Compensation Charges of Rs.536.87 Lakhs payable from 2012-13 to 2018-19 as per the demand notice dated 29.01.2020 raised by the District collector, Virudhunagar payable for mining lease in Virudhunagar district which has resulted in understatement of Manufacturing Expenses and Loss for the year to that extent.</p>	<p>TANCEM will check the demand notice received from District Collector, Virudhunagar regarding Annual Compensation Charges for Rs.6.90 Crores and will take necessary action in FY 2021-22 for the same.</p>



कार्यालय महालेखाकार (लेखापरीक्षा-II)
तमिलनाडु एवं पुदुचेरी

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

मले (लेखापरीक्षा II)/एएमजी I/OAD II/VIII /30A-44/2021-22/
AG (Audit II)/AMG I/OAD II/VIII/30A-44/2021-22/26)

दिनांक: .01.2022
Dated 20.01.2022

सेवा में/ To
प्रबंध निदेशक,
तमिलनाडु सीमेंट्स कॉर्पोरेशन लिमिटेड, चेन्नई
एलएलए भवन, 753 अण्णा सालै,
चेन्नई- 600002.

The Managing Director,
Tamil Nadu Cements Corporation Limited, Chennai
LLA Building, 753 Anna Salai,
Chennai – 600002.

महोदय Sir/महोदया Madam,

विषय: 31 मार्च, 2021 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 31st March, 2021.

31 मार्च 2021 को समाप्त वर्ष के लिए 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 इसके साथ अग्रेषित कर रहा हूँ ।

I am to forward herewith the NIL COMMENT 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 31st March, 2021.

वार्षिक सामान्य बैठक के कार्यवृत्त की एक प्रति जिसमें कंपनी अधिनियम 2013 की धारा 143 (6)(बी) के तहत भारत के नियंत्रक 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 ।

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 CAG before the legislative assembly as required under Section 19 A (3) of CAG's DPC Act read with Section 395 of Companies Act, 2013 under intimation to audit.

संलग्न: यथोपरि
Encl: As above

भवदीय/Yours sincerely,

वरिष्ठ उप महालेखाकार
Senior Deputy Accountant General

"लेखापरीक्षा भवन" 361, अण्णा सालै, चेन्नई-600 018 "Lekha Pariksha Bhavan", 361, Anna Salai, Chennai - 600 018

दू.भा/Phone : 044 - 24316560 to 6566 ; फैक्स/Fax : 044 - 2431 1659

ई-मेल/E-mail : agautamilnadu2@cag.gov.in



कार्यालय महालेखाकार (लेखापरीक्षा-II)
तमिलनाडु एवं पुदुचेरी

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

VISHWANATH SINGH JADON, IA&AS

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF TAMILNADU CEMENTS CORPORATION LIMITED FOR THE
YEAR ENDED 31 MARCH 2021**

The preparation of the financial statements of Tamilnadu Cements Corporation Limited, Chennai for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/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 the 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 12-01-2022 which supersedes their earlier Audit Report dated 25-11-2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Tamilnadu Cements Corporation Limited, Chennai for the year ended 31 March 2021 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.

In view of the revisions made with Statutory Auditors' Report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' Report under section 143 (6) (b) of the Act.

Place: Chennai.
Date: 19.01.2022

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

19.01.22

**VISHWANATH SINGH JADON
Accountant General**

"लेखापरीक्षा भवन" 361, अण्णा सालै, चेन्नई-600 018 "Lekha Pariksha Bhavan", 361, Anna Salai, Chennai - 600 018
दू.भा/Phone : 044 - 24316560 to 6566 ; फैक्स/Fax : 044 - 2431 1659
ई-मेल/E-mail : agautamilnadu2@cag.gov.in

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31.03.2021

*[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.Tamilnadu Cements Corporation Limited
iv.	Category/Sub-Category of the Company	Public Company / Government Company
v.	Address of the Registered office and contact details	LLA Buildings, 735, Anna Salai, Chennai - 600 002
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

Sl. 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
	Dem at	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	99.99	-	1113169	1113169	99.99	Nil
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	1113169	1113169	99.99	-	1113169	1113169	99.99	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	0.01	-	11	11	0.01	-
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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Governor of Tamilnadu	1113169	99.99	-	1113169	99.99	-	-
2.								
3.								
	Total		99.99	-		99.99	-	-

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

Sl. 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
1.	At the beginning of the year	1113169	99.99	1113169	99.99
2.	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):	-	-	-	-
3.	At the End of the year	1113169	99.99	1113169	99.99

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	5,75,40,47,702	1,37,50,70,000	-	7,12,91,17,702
ii) Interest due but not paid	-	1,40,96,418	-	1,40,96,418
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	5,75,40,47,702	1,38,91,66,418	-	7,14,32,14,120
Change in Indebtedness during the financial year				
- Addition				
i) Principal Amount	51,09,23,240	-	-	51,09,23,240
ii) Interest	3,87,01,780	3,02,00,000	-	6,89,01,780
- Reduction				
Net Change	54,96,25,020	3,02,00,000		57,98,25,020
Indebtedness at the end of the financial year				
i) Principal Amount	6,26,49,70,942	1,37,50,70,000	-	7,64,00,40,942
ii) Interest due but not paid	3,87,01,780	4,42,96,418	-	8,29,98,198
iii) Interest accrued but not due			-	
Total (i+ii+iii)	6,30,36,72,722	1,41,93,66,418		7,72,30,39,140

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			Total Amount
		K V Muralidharan	N Muruganandam	Dr M Aarthi	
	Name	K V Muralidharan	N Muruganandam	Dr M Aarthi	
	Period of service	01.04.2020 to 09.12.2020	10.12.2020 to 20.02.2021	21.02.2021 to 31.03.2021	
1.	Gross salary				
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	14,53,638	1,27,603	1,59,536	17,40,777
	(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)	14,53,638	1,27,603	1,59,536	17,40,777
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		P.Krishnamurthi	Dr.G.Natarajan	
1.	<u>Independent Directors</u> ·Fee for attending board /committee meetings ·Commission ·Others, please specify	23,000	21,000	44,000
	Total(1)	23,000	21,000	44,000
2.	<u>Other Non-Executive Directors</u> ·Fee for attending board /committee meetings ·Commission ·Others, please specify	-	-	-
	Total(2)	-	-	-
	Total(B)=(1+2)	23,000	21,000	44,000
	Total Managerial Remuneration			
	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			
		CEO	CS	CFO	Total
			Dr.Lakshmi Manean	Tmt Seema Scaria	
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961	-	2,73,823	12,06,783	14,80,606
	(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	-			
2.	Stock Option	-	-	-	-

3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	2,73,823	12,06,783	14,08,606

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

Sd/-
(Anil Meshram, IAS)
Managing Director

Sd/-
(Dr.G.Natarajan)
Independent Director

Place : Chennai – 600 035

Date :

TAMIL NADU CEMENTS CORPORATION LIMITED
BALANCE SHEET AS AT 31/03/2021

(Rs.in lakhs)

SI.No.		Note No.	As at 31/03/2021		As at 31/03/2020	
A	EQUITY AND LIABILITIES					
1	Shareholders Funds					
	(a) Share Capital	1	11131.80		11131.80	
	(b) Reserves and Surplus	2	-14637.75		-9332.75	
				-3505.95		1799.05
2	Non current liabilities					
	(a) Long term borrowings	3	68648.34		68964.13	
	(b) Long term provisions	4	1985.70		1646.19	
				70634.04		70610.32
3	Current liabilities					
	(a) Short term borrowings	5	3652.98		4308.38	
	(b) Trade payables	6	8443.54		10801.29	
	(c) Other current liabilities	7	16085.84		8708.09	
	(d) Short term provisions	8	274.41		374.14	
				28456.77		24191.90
	TOTAL			95584.86		96601.27
B	ASSETS					
1	Non current assets					
	(a) Fixed assets					
	(i) Property Plant and Equipments	9	74251.01		77894.14	
	(ii) Intangible Assets		67.47		76.54	
	(iii) Capital work-in-progress		948.06		629.71	
			75266.54		78600.39	
	(b) Non current investments	10	0.03		0.03	
	(c) Long Term loans and advances	11	1938.11		1963.41	
				77204.68		80563.83
2	Current assets					
	(a) Inventories	12	5965.56		6803.24	
	(b) Trade Receivables	13	5371.73		4676.83	
	(c) Cash and cash equivalents	14	3111.05		474.54	
	(d) Short term loans and advances	15	3927.35		4060.32	
	(e) Other current assets	16	4.50		22.51	
				18380.19		16037.44
	TOTAL			95584.86		96601.27
Significant Accounting Policies and Other Disclosures		29, 30 & 31				

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANIEAN
Company Secretary

Dr. G.NATARAJAN
Director

Thiru. ANIL MESHARAM, I.A.S
Managing Director

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

(A.ROZARIO)
PARTNER
M.NO.021230

Date:25.11.2021
Place: Chennai

UDIN:

TAMIL NADU CEMENTS CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2021

(Rs.in lakhs)

SL.No.	Particulars	Note No.	For the Year ended 31/03/2021	For the Year ended 31/03/2020
I	REVENUE			
	REVENUE FROM OPERATIONS			
	Sales	17	42324.01	43697.58
II	Other Income	18	420.97	118.48
III	Total Revenue (I+II)		42744.98	43816.06
IV	EXPENSES			
	Cost of Material Consumed	19	7581.86	2586.60
	Purchase of Stock in Trade	20	6776.83	23641.29
	Changes in inventories of finished Goods, Work-in-Progress & Stock-in-Trade	21	554.76	-437.56
	Power & Fuel	22	13889.96	11554.50
	Manufacturing Expenses	23	1333.56	1577.85
	Employee Benefit Expenses	24	2956.20	2923.63
	Finance Costs	25	5785.91	651.72
	Depreciation/amortization Expenses	26	4206.31	524.43
	Other Expenses	27	4891.99	3798.67
	Total Expenses		47977.38	46821.13
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND EXTRA ORDINARY ITEMS (III-IV)		-5232.40	-3005.07
VI	Exceptional Items /Prior Year Items	28	-72.60	-121.13
VII	Profit before extra ordinary items and tax(V+VI)		-5305.00	-3126.20
VIII	Extra ordinary Items		0.00	0.00
IX	PROFIT /LOSS BEFORE TAX (VII+VIII)		-5305.00	-3126.20
X	TAX EXPENSES		0.00	0.00
XI	PROFIT / (LOSS) FOR THE PERIOD (IX+X)		-5305.00	-3126.20
XII	BASIC & DILUTED EARNINGS PER SHARE (Face Value Rs 1000/- per Share)	Rs.	-476.56	-280.83

Significant Accounting Policies and Other Disclosures

29, 30 & 31

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANIEAN
Company Secretary

Dr. G.NATARAJAN
Director

Thiru. ANIL MESHRAM, I.A.S
Managing Director

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

(A.ROZARIO)
PARTNER
M.NO.021230

Date:25.11.2021
Place: Chennai

UDIN:

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No	Particulars	31/03/2021	31/03/2020
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 01-04-2020	11,13,180	11,13,180
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at 31-03-2021	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		
	Profit & Loss A/C		
	Opening Balance	(9,332.75)	(6,206.55)
	Net Profit/Loss for the year	(5,305.00)	(3,126.20)
	Closing Balance	(14,637.75)	(9,332.75)
3	LONG TERM BORROWINGS		
	A. Unsecured Loan		
	Interest Free Loan from Government*	11,750.70	11,750.70
	Less : current maturities shown under current liabilities	436.07	327.05
	Total (A)	11,314.63	11,423.65
	B. Secured Loan		
	SBI Term Loan*	63,036.73	57,540.48
	Less : Interest payable for March 21	387.02	-
	Total after deducting Interest payable	62,649.71	57,540.48
	Less : current maturities shown under current liabilities	5,316.00	-
	Total (B)	57,333.71	57,540.48
	TOTAL (A + B)	68,648.34	68,964.13
	* Detailed note given in 30		
4	LONG TERM PROVISIONS		
	1. Provisions for Employee Benefit		
	a) Provision for Gratuity	1,296.64	979.23
	b) Provision for Earned Leave	622.39	601.77
	2. Other Provisions		
	Provision for Mine Closure Plan	66.67	65.19
	TOTAL	1,985.70	1,646.19
	The Total Provision for Gratuity is Rs.1296.64 lakhs and The Total Provision for Earned leave is Rs. 622.39 lakhs		

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No	Particulars	31/03/2021	31/03/2020
5	CURRENT LIABILITIES		
	a.Short Term Borrowings		
	1.Ways and Means -Govt.of Tamilnadu	2,000.00	2,000.00
	2.Cash Credit with Banks	1,652.98	2,308.38
	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.7000.00 lakhs (cash credit is Rs.6000.00 lakhs and Non fund based is Rs 1000.00 lakhs).		
	Total	3,652.98	4,308.38
6	a. Trade Payable		
	Sundry Creditors -General	611.01	380.16
	b.CREDITORS FOR GOODS		
	1. a) Sundry Creditors - Stores & Spares	671.75	681.54
	b) Micro and Macro suppliers outstanding- Stores and spares *	68.67	-
	2. Sundry Creditors - Raw Materials	1,386.56	1,067.35
	3. Sundry Creditors - Purchase of Cement	3,607.86	4,837.83
	c.CREDITORS FOR EXPENSES		
	1. Creditors for Expenses - Power Bill	631.46	359.98
	2. Creditors for Expenses - Admn.Expenses	72.94	2.13
	3. Creditors for Expenses -Auditors fee Payable	7.61	6.39
	4. Goods Received invoice not raised (GRIR)	247.03	304.49
	d. Sundry Creditors for Capital Goods	1,138.65	3,161.42
	TOTAL	8,443.54	10,801.29
	*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		
7	OTHER CURRENT LIABILITIES		
	1. Recoveries from Salary	84.22	112.20
	2. Employees payable	368.52	561.34
	3 .TDS	10.97	48.89
	4 .GST / Sales Tax	1,599.60	885.14
	5 .Others	5,432.68	4,160.20
	6 .EMD & Other Deposits *	2,006.55	2,452.28
	7. Current Maturities of Loan - Term Loan**	6,139.09	327.05
	8. Interest payable on unsecured Loans	444.20	160.99
	TOTAL	16,085.84	8,708.09
	* includes performance Guarantee withheld from L&T for Rs. 101 lakhs(Ariyalur expansion project).		
	** a) The repayment of SBI project Term loan commences from July 2021 onwards the Three quarters repayment has been considered in current maturities - Rs. 5316 lakhs.		
	b) The Interest free Loan have moratorium upto 31.03.2021. The repayment due during 2021-22 is considered in current maturities - Rs.436.07 lakhs.		
	Liabilities subject to confirmation/reconciliation		
8	SHORT TERM PROVISIONS		
	1. Provision for Labour Welfare Cess *	274.41	274.41
	2. Provision for Gratuity	-	69.50
	3. Provision for Earned Leave	-	30.23
	TOTAL	274.41	374.14
	* includes provision created for Labour welfare fund for 1% of the total cost of civil construction.		

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No	Particulars	31/03/2021	31/03/2020
10	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
11	LONG TERM LOANS AND ADVANCE		
	Deposits	1,964.69	1,989.99
	Less : Provision for Doubtful Deposits	(26.58)	(26.58)
	Total	1,938.11	1,963.41
12	Group : INVENTORIES - STORES & SPARES		
	1. Stores and Spares	2,021.82	1,727.73
	2. Fuel	517.42	443.40
	3. Packing Material	50.50	30.71
	Group : INVENTORIES - RAW MATERIALS		
	Raw Material	1,255.68	1,888.56
	Group : INVENTORIES - WORK IN PROCESS		
	1. Work - in - Process	431.44	403.46
	2. Semi Finished Goods (CLINKER)	426.52	1,100.23
	Group : INVENTORIES - FINISHED GOODS		
	Finished Goods	748.22	578.18
	Group : INVENTORIES - TRADING STOCK		
	17780.32 MT (last year 21,828.27 MT) of Cement at Net Purchase price of Rs.2890.625 per MT under Amma Cement Supply Scheme	513.96	630.97
	TOTAL	5,965.56	6,803.24
13	TRADE RECEIVABLES		
	Secured , Considered Good		
	Debts outstanding for more than 6 months		
	Unsecured, Considered Good		
	Debts outstanding for less than 6 months	3,698.86	2,369.53
	Other Debts	1,672.87	2,307.30
	Total	5,371.73	4,676.83
	Unsecured, Considered Doubtful		
	Debts outstanding for more than 6 months	308.93	308.93
	Provision of Doubtful Receivables (Trade Receivables)	(308.93)	(308.93)
	Total	0.00	0.00
	TOTAL	5,371.73	4,676.83
	Sundry Debtors subject to confirmation/reconciliation		
14	CASH AND CASH EQUIVALENTS		
	CC Accounts	1,671.70	4.37
	Group : CASH & CHEQUES ON HAND		
	Cash and Cheques on Hand	2.92	6.04
	Group : CASH AT BANK		
	Cash at Bank- Current Accounts	1,408.98	280.56
	Group : DEPOSITS WITH BANKS		
	Deposits with Banks	27.23	183.44
	Group : STAMPS ON HAND		
	Stamps on Hand	0.22	0.13
	TOTAL	3,111.05	474.54

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No	Particulars	31/03/2021	31/03/2020
15	SHORT TERM LOANS AND ADVANCES		
	Group : ADVANCE FOR GOODS		
	1. Advance for Goods	852.05	1,009.77
	2. Advance for Raw Materials	45.60	13.70
	3. Advance for Trading Materials	7.67	7.84
	Group : OTHER ADVANCES		
	1. Advance to Trust/Societies	0.10	0.10
	2. Claims Receivable	1,727.19	1,667.11
	3. Advance to Staff	28.04	30.05
	4. Other Advances	417.32	492.10
	5. Provision for Doubtful Advances	(36.21)	(36.21)
	6. Provision for Claims Receivable *	(382.99)	(382.99)
	Group : PREPAID EXPENSES		
	Prepaid Expenses	28.48	22.18
	Group : DEPOSITS		
	1. Deposits with Court	451.93	451.93
	2. Advance Income Tax	788.13	784.72
	TOTAL	3,927.35	4,060.31
	* Provision for disputed Input Credit pertaining to GST Transition. Advances to suppliers and others, Balance with Port Trust subject to confirmation/reconciliation.		
16	OTHER CURRENT ASSETS		
	Interest Accrued	4.50	22.51
	TOTAL	4.50	22.51

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANIEAN
Company Secretary

Dr. G.NATARAJAN
Director

Thiru. ANIL MESHRAM, I.A.S
Managing Director

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

(A.ROZARIO)
PARTNER
M.NO.021230

Date:25.11.2021
Place: Chennai

UDIN:

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	31/03/2021	31/03/2020
17	SALES		
	A. Manufacturing		
	1.Cement Sales	35,238.99	19,153.64
	2.Cement Sales-Home Consumption	-	-
	3.Clinker Sales	-	-
	4.Asbestos Sheet Sales	1.21	1.26
	5.Stoneware Pipe Sales	0.14	3.08
	SUB TOTAL (A)	35,240.34	19,157.98
	B. Trading		
	Amma Cement Supply Scheme Sales [2,01,111.8 MT @Rs.2968.75 per MT and 32,982.60 MT @ 3375 per MT (Excluding GST)(last year 8,26,597 MT)	7,083.67	24,539.60
	SUB TOTAL (B)	7,083.67	24,539.60
	TOTAL (A) + (B)	42,324.01	43,697.58
18	OTHER INCOME		
	1.Interest Earned - Other Advances/Deposits*	54.56	66.61
	2.Profit on Sales of Assets	0.41	-
	3.Misc.Income- Scrap Sales	348.53	0.02
	4.Trade Sale	-	-
	5.Other Receipts	17.47	51.85
	TOTAL	420.97	118.48
	* TDS Rs.3.41 lakhs/Previous Year Rs.4.87lakhs		
19	COST OF MATERIAL CONSUMED		
	1.Limestone	4,672.54	1,413.18
	2.Gypsum	334.89	204.51
	3.Fly ash	1,849.87	569.18
	4.Other raw materials	724.56	399.73
	Total	7,581.86	2,586.60
20	PURCHASE OF STOCK IN TRADE		
	Purchase of Cement for Amma Cement Supply Scheme	6,776.83	23,641.29
	[1,97,521.90 MT@2890.63 per MT and 32,524.55 @Rs.3281 per MT (excluding GST) (last year 8,17,860.90MT)		
	TOTAL	6,776.83	23,641.29
21	CHANGE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS & STOCK-IN-TRADE		
	Opening stock		
	1.Process Goods	1,503.69	1,104.30
	2.Finished Goods	578.18	287.47
	3.Trading Stocks	630.97	883.51
	Total (A)	2,712.84	2,275.28
	Less : Closing stock		
	1.Process Goods	895.91	1,503.69
	2.Finished Goods	748.22	578.18
	3.Trading Stocks	513.96	630.97
	Total (B)	2,158.09	2,712.84
	TOTAL	554.76	(437.56)
22	Power and Fuel		
	1.Coal	7,520.45	6,208.80
	2.Power	6,369.51	5,345.70
	Total	13,889.96	11,554.50
23	Manufacturing Expenses		
	1.Stores Consumed	445.01	1,107.89
	2.Manufacturing Expenses - Others	320.28	131.19
	3.Repairs & Maint.-Plant and machinery	568.27	338.77
	TOTAL	1,333.56	1,577.85

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

(Rs.in lakhs)

Note No.	Particulars	31/03/2021	31/03/2020
24	EMPLOYEE BENEFIT EXPENSES		
	1.Salary,Wages & Bonus	2,151.68	2,059.59
	2.Contribution to PF and Other Funds	205.19	200.88
	3.Staff Welfare Expenses	172.04	115.86
	4.Gratuity and Leave Encashment	427.29	547.30
	TOTAL	2,956.20	2,923.63
	Salary , Wages & Bonus include Directors Remuneration & contribution to PF and other funds	17.41	30.39
	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.		
25	FINANCE COSTS		
	1.Interest on Working Capital	161.13	149.15
	2.Interest - Term Loan / Others	5,499.76	325.64
	3.Bank Charges	125.02	176.93
	TOTAL	5,785.91	651.72
26	DEPRECIATION / AMORTIZATION EXPENSES		
	1. Depreciation	4,206.31	524.43
	TOTAL	4,206.31	524.43
27	OTHER EXPENSES		
	1.Insurance	63.57	22.16
	2.Rent	14.39	18.66
	3.Rates & Taxes	95.44	612.14
	4.Printing and Stationery	15.49	19.49
	5.Postage,Telephones & Telegrams	12.34	12.92
	6.Travelling Expenses	8.18	26.88
	7.Other Administrative Expenses*	171.19	255.88
	8.Administrative Expenses- Amma Cement Supply Scheme	163.87	578.62
	9.Legal Fee	14.83	38.57
	10.Consultants Fee	55.15	80.18
	11.Directors Sitting Fees	0.44	0.16
	12.Audit Fees Expenses & Others**	2.74	3.19
	13.Repairs and Maint. (Other than Factory Buildings and Plant & Machinery)	928.14	589.70
	14.Freight & Handling charges	605.01	583.96
	15.Rent-Marketing Office	2.55	2.49
	16.Advertisement Charges	31.54	27.46
	17.Packing Charges	1,305.06	774.35
	18.Sales incentives	1,400.25	144.99
	19.Other Selling Expenses	1.81	6.87
	TOTAL	4,891.99	3,798.67
	* Administrative expenses includes Rs. 172.79 lakhs relating to CSR expenses incurred during the year 2019-20 and Rs 66.94 lakhs during 2020-21 for fulfilling the term and conditions of MoEF for Ariyalur Expansion Project.		
	**Auditor fees include		
	i) Statutory Audit Fee	2.50	2.60
	ii) Out of Pocket expenses	0.24	0.59

TAMIL NADU CEMENTS CORPORATION LIMITED
NOTES TO ACCOUNTS

Note No.	Particulars	(Rs.in lakhs)	
		31/03/2021	31/03/2020
28	EXCEPTIONAL ITEMS/ PRIOR YEAR ITEMS		
	1.Prior Period Expenses	72.60	121.13
	a) Rs.71.54 lakhs EB expenses classified as deposits rectified now.		
	b) Rs.1.06 lakhs property tax paid for earlier years.		
	TOTAL	72.60	121.13
For and on behalf of Board of Directors			
Thiru. A.ARJUNAN Chief Financial Officer	Dr. LAKSHMI MANIEAN Company Secretary	Dr. G.NATARAJAN Director	Thiru. ANIL MESHAM, I.A.S Managing Director
As per our report of even date attached FOR M.THOMAS & CO., Chartered Accountants FRNO: 004408S			
(A.ROZARIO) PARTNER M.NO.021230			
Date:25.11.2021 Place: Chennai	UDIN:		

NOTES TO ACCOUNTS
Note 9 : Property, Plant & Equipment and Tangible Assets

SI No.	NAME OF ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				(Rs.in lakhs)		
		01-04-2020	ADDN	DELN Adj.	TOTAL 31-03-2021	DEPRN 01-04-2020	FOR THE YEAR	DELN Adj.	TOTAL 31-03-2021	WDV 31-03-2021	WDV 31/03/2020	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
A	Tangible Assets											
1	QUARRY LAND	537.86	0.00	0.00	537.86	64.80	7.84	0.00	72.64	465.22	473.06	
2	OTHER LAND	371.20	271.28	0.00	642.48	0.00	0.00	0.00	0.00	642.48	371.20	
3	BUILDINGS	39482.10	30.96	0.00	39513.06	1461.37	1202.64	0.00	2664.01	36849.05	38020.73	
4	RAILWAY SIDING	800.14	0.00	0.00	800.14	763.72	0.00	0.00	763.72	36.42	36.42	
5	PLANT & MACHINERY	46243.93	254.57	0.20	46498.30	7563.64	2951.37	0.19	10514.82	35983.48	38680.28	
6	FURNITURE FIXTURES	72.53	0.24	0.28	72.49	58.02	5.85	0.28	63.59	8.90	14.51	
7	VEHICLES	535.51	0.00	0.18	535.33	463.23	6.88	0.17	469.94	65.39	72.28	
8	OTHER ASSETS	819.96	0.00	1.40	818.56	594.31	25.51	1.33	618.49	200.07	225.65	
B	INTANGIBLE ASSETS											
	Total	89195.02	557.05	2.06	89750.01	11224.33	4209.17	1.97	15431.53	74318.48	77970.68	
	Capital Work-in-Progress									948.06	629.71	
	Previous year	15390.67	73804.35	0.00	89195.02	10607.40	616.93	0.00	11224.33	77970.68	4783.27	

i) Capital Work in progress includes Rs.432.48 lakhs of interest related to Land Acquisition cases.

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 MANIEAN
Company Secretary

Dr. G.NATARAJAN
Director

Thiru. ANIL MESHARAM, I.A.S
Managing Director

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

TAMIL NADU CEMENTS CORPORATION LIMITED
CASH FLOW STATEMENT AS AT 31/03/2021

		(Rs.in lakhs)	
PARTICULARS		2020-21	2019-20
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Prior Period Items	(5,232.40)	(3,005.07)
	<u>Adjustment for</u>		
	Depreciation	4,206.31	524.43
	Provision for Bad & Doubtful Debts & Advances/MAT	-	-
	Interest Expenditure	5,785.91	651.72
	Profit/Loss on write off / Sale of Fixed Assets	(0.41)	-
	Interest Income considered separately	(54.56)	(66.61)
	Operating Profit Before Working Capital Changes	4,704.85	(1,895.53)
	Decrease (Increase) in Inventories	837.68	(2,325.75)
	Decrease (Increase) in Sundry Debtors	(694.90)	(836.63)
	Decrease (Increase) in Loans & Advance	150.98	(859.94)
	Increase (Decrease) in Current Liabilities	4,264.87	3,420.37
	Cash From Operations	9,263.48	(2,497.48)
	Income Tax Paid	-	-
	Deferred Revenue Expenditure	-	-
	Cash from Operations before Prior Period Items	9,263.48	(2,497.48)
	Prior Period Items	(72.60)	(121.13)
	Cash from Operating Activities	9,190.88	(2,618.61)
B	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Proceeds on Sale of Fixed Assets	0.50	0
	Additions to Fixed Assets & Capital work in Progress	(872.54)	(5,953.49)
	Decrease (Increase) in Long Term Loans & Advance	25.30	(324.93)
	Interest Income	54.56	66.61
	Net Cash from Investment Activities	(792.18)	(6,211.81)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase (Decrease) in Non Current Liabilities	23.72	8,689.13
	Repayment of Loan (Secured & Unsecured)	-	-
	Repayment of Tax Defferal	-	-
	Interest Paid	(5,785.91)	(651.72)
	Share Advance/share capital issued	-	-
	Interest Free Loan	-	-
	Net Cash from Financial Activities	(5,762.19)	8,037.41
D	TOTAL INCREASE (DECREASE) IN CASH EQUIVALENTS DURING THE YEAR (A+B+C)	2,636.51	(793.01)
	Cash and Cash Equivalents at the beginning of the year	474.54	1,267.55
	Cash and Cash Equivalents at the end of the year	3,111.05	474.54

For and on behalf of Board of Directors

Thiru. A.ARJUNAN
Chief Financial Officer

Dr. LAKSHMI MANIEAN
Company Secretary

Dr. G.NATARAJAN
Director

Thiru. ANIL MESHARAM, I.A.S
Managing Director

As per our report of even date attached

FOR M.THOMAS & CO.,
Chartered Accountants
FRNO: 004408S

(A.ROZARIO)
PARTNER
M.NO.021230

Date:25.11.2021
Place: Chennai

UDIN:

29. SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF PREPARATION

The financial statements are prepared under historical cost convention on the accrual basis of accounting (except bonus payment to employee covered under the provisions of payment of Bonus Act, 1965, Ex-gratia and incentive paid, if any which are accounted on cash basis) 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) ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely

monitor any material changes arising of future economic conditions and impact on its business.

IV) 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 31.3.2021 at our Central Stores alone 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 31.3.2021 at our Central Stores alone taken into stock.
d) Loose tools	Depreciated value.
e) Medicines	Annual weighted average cost.
f) Stationery	Annual weighted average cost
g) Process Stock	Lower of cost or net realisable value.
h) Finished goods	Lower of cost or net realisable value excluding GST.
i) 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.

V) 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.

VI) 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.

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

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

VIII) REVENUE RECOGNITION

- a. Sale is recognized on transfer of significant risks and rewards of ownership of the goods to the buyer and stated Net of GST, Trade Discounts and Rebate.
- 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.

IX) 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 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.

X) 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.

XI) ACCOUNTING FOR EMPLOYEE BENEFIT

a. Defined Contribution Plan: Employee benefits in the form of the company 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.

XII) 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.

XIII) 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 is no reportable secondary segments. Details of segment data is given below:

(Rs in Lakhs)

Particulars	Cement Division	Sheet Division	Pipe Division	DRDA Supply	Amma Cement Supply Scheme	2020-21 Total	2019-20 Total
Gross Earnings	35,238.99	1.21	0.14	-	7,083.67	42,324.01	43,697.58
Other Segments	-	-	-	-	-	-	-
Sub Total	35,238.99	1.21	0.14	-	7,083.67	42,324.01	43697.58
Total revenue	35,238.99	1.21	0.14	-	7,083.67	42,324.01	43697.58
Total expenses	34,932.00	8.49	39.12	-	7,211.85	42,191.46	46101.00
Segment Result	306.99	(7.28)	(38.98)	-	(128.18)	132.55	(2403.42)
Segment Liabilities	94,023.48	100.35	7.97	3,196.37	1,762.64	99,090.81	94,802.22
Segment Assets	93,073.17	168.44	70.54	1,460.90	811.81	95,584.86	96,601.27
Fixed Assets Acquired	557.06	-	-	-	-	557.06	73804.35
Depreciation	4,191.05	1.58	0.62	-	13.06	4,206.31	524.43
Capital Employed	69,683.73	68.1	62.56	(1,735.48)	(950.83)	67,128.09	72,409.38

XIV) RELATED PARTY DISCLOSURE

(a) Name of related parties and Nature of relationship

Government of Tamilnadu – Holder of 100% of the share capital

(b) Key Management Personnel

i) Managing Director / CMD

Thiru.K V.Muralidharan, IAS (01.04.2020 - 09.12.2020)

Thiru.N.Muruganandam, IAS (10.12.2020 - 20.02.2021)

Tmt.Dr.M.Aarthi IAS (21.02.2021 - 31.03.2021)

ii) Chief Financial Officer

Tmt Seema Scaria

iii) Company Secretary

Tmt Dr Lakshmi Manean

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

Transactions with related parties-Managerial Remuneration during the year

Particulars	2020-21	2019-20
	Rs in Lakhs	
a) Managing Director	17.31	30.39
b) Chief Financial Officer	12.07	11.11
c) Company Secretary	2.74	-
TOTAL	32.12	41.50

(c) Balance Managerial Remuneration payable at the end of the reporting period is Rs. 2.97 lakhs (Managing Director – Rs.1.19 lakhs, Company Secretary – Rs.0.79 lakhs and Chief Financial Officer – Rs.0.99 lakhs)

XV) 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.

XVI) 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.

XVII) ACCOUNTING FOR TAXES ON INCOME

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. 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 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.

XVIII) INTANGIBLE ASSETS

Intangible assets comprise of Implementation of 'Plant Integration and Plant Performance Improvement Systems Software' which has 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.

XIX) 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.

XX) 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.

30. OTHER NOTES & DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

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

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

In order to obtain Environmental Clearance for Kallankurichi Mines TANCEM was required to pay a penalty Rs.43.61 crores (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. The terms of the interest free loan is as follows:-

- a) Repayment period – 10 years
- b) Moratorium towards repayment - 2 years from the date of borrowing.
- c) Date on which repayment is to commence – July 2020 onwards.
- d) Mode of repayment - Quarterly.

TANCEM has requested Government vide letter for extension of moratorium period for another 2 years from July 2020. The Government vide G.O. (Ms).No.201 dated 17.08.2021 has extended the moratorium period till March'2021 and the repayment will commence from April'2021.

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

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

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 case granting enhanced compensation of Rs1250/- per cent vide order dated 29.11.2012. Based on Writ petitions filed by TANCEM, the Sub Court re-opened the case and passed orders dated 16.02.2017 for refixing the enhanced compensation at Rs.1200/-, the approximate financial commitment being around Rs.20 crores. TANCEM had requested the Government to consider a loan of Rs.20 crores 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

crores with interest rate of 12.60% p.a. The entire loan of Rs.20 crore of Ways and Means advance was repaid till 30.09.2021.

4) Term Loan from State Bank of India:-

TANCEM has been sanctioned Term Loan of Rs.602.20 crores by State Bank of India. Due to covid pandemic, as per RBI instructions on allowing 6 months moratorium in payment of Interest of Rs.24.31 crore from Mar'20 to Aug'20. Thus, Total Term Loan obtained has increased to Rs.626.50 crore by State Bank of India as on 31.03.2021. The principal repayment of loan of Rs.71.93 crore was repaid till 30.09.2021

The Terms of Loan are as follows:

i) Nature of Security:

- a. First charge is on all Fixed assets on Ariyalur cement plant.
- b. Second charge is on current assets of TANCEM
- c. First charge on Trust and retention account
- d. First charge on DSRA created to meet the debt service requirements
- e. Secured by Equitable Mortgage of Land consisting of 54.99.5 Hectares situated at Kairalabad Village, Ariyalur bearing Patta No.431 together with all buildings and structures thereon and all Plant and Machinery attached to the earth, or permanently fastened to anything attached to earth, constructed/to be constructed.
- f. Guarantee of State Government

ii) **Repayment Terms:** Repayment starts in the Quarter following one year after commercial operation date in 34 equal quarterly instalments

iii) **Rate of Interest:** 1 year MCLR + 0.35 bps

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 01-04-2020 to 31-03-2021	Employee Encashment Scheme 01-04-2020 to 31-03-2021 Leave Benefit
Changes in the Present Value of the Obligation (PVO) reconciliation of opening and closing balances		
PVO as at the beginning of the period	1048.73	631.99
Interest Cost	76.03	37.43
Current Service cost	47.85	-
Past Service cost (Non vested benefits)	-	-
Past Service Cost (Vested benefits)	-	-
Benefits paid	(4.44)	(86.83)
Actuarial Loss /(Gain)	128.46	39.80
PVO as at the end of the period	1,296.64	622.39
Expenses Recognized in the Statement of Profit and Loss Account.	GRATUITY 01-04-2020 to 31-03-2021	Employee Encashment Scheme 01-04-2020 to 31-03-2021 Leave Benefit
Current Service Cost	47.85	-
Interest Cost	76.03	37.43
Expected return on plan assets	(0.80)	-
Net Actuarial (Gain)/Loss recognized in the year	128.46	39.80
Opening Net Liability	1,048.73	631.99
Expenses as above	251.55	77.23
Benefits Paid	(4.44)	(86.83)

Closing Net Liabilities recognized in the Balance Sheet	1,282.19		622.39	
Principal Actuarial assumptions (expressed as weighted averages)	GRATUITY		Employee Leave Encashment Benefit Scheme	
	01-04-2020 to 31-03-2021	01-04-2019 to 31-03-2020	01-04-2020 to 31-03-2021	01-04-2019 to 31-03-2020
Discount Rate	7%	7.25%	6.64%	6.36%
Salary Escalation Rate	5%	5%	5%	5%
Attrition Rate	1-3%	1-3%	1-3%	1-3%
Expected Rate of Return on plan assets	7%	7.80%	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 carry forward business losses amounting to Rs.14,637.75 Lakhs as on 31.03.2021. 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:-

- a) The Company has occupied the 2nd Floor of L.L.A Building of 10211 sq.ft and two Garages of 237 sq.ft each on a monthly rental basis. During the year 2008, L.L.A has increased the rental rate for TANCEM's office premises. TANCEM has not accepted the increased rate and the differential rent of Rs.4.92 crores has not been accounted.
- b) Liquidated damages claimed made by P.H.E.D. Rajasthan not acknowledged by the company since 1993-94 is Rs. 56.29 (Rs. in lakhs)
- c) 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 mm dia 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.30.05 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 MONEY FOR WHICH COMPANY IS CONTINGENTLY LIABLE:-

1) PENDING INCOME TAX APPEALS:-

- i) Appeals are pending in various stages Income tax demand Rs.1,349.96 lakhs in respect of Assessment years 1997-98, 1998-99, 2003-04, 2007-08 and 2008-09. 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
2012-13	Nil	1,13,85,510	Order closed by CIT
Total	13,49,95,501	5,24,36,741	

- ii) Demand relating to TDS compliance amounting to Rs.5.63 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)		
		Since financial year 2007-08 till 2019-20	2020-21	Total
1	Corporate Office	0.53	0.03	0.56
2	Alangulam Cement Unit	0.02	0.02	0.04
3	Ariyalur Cement Unit	3.54	0.06	3.60
4	Ariyalur Expansion Cement Unit	0.00	0.00	0.00
5	Alangulam Sheet Unit	1.35	0.00	1.35
6	Virudhachalam Stoneware Pipe Unit	0.07	0.01	0.08
TOTAL		5.51	0.12	5.63

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)

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 crores 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 crores 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 crores. TANCEM has further requested the Government to waive the penal interest from 01.04.2010 amounting to Rs.29.13 crores. 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 month April to September 2015 ITC could not be availed as the transactions has been filed only in December 2015 and January 2016 for April to September 2015. TANCEM has requested the Government to grant special permission to avail input VAT credit and the decision in this regard is awaited.

TANCEM requested permission from Deputy Commissioner (CT) – II, Large Tax Payers Unit, Ch-8 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 the prescribed time limit for the claim and decision in this regard is awaited.

Meanwhile, Service Tax Commissionerate, Chennai has issued show case notice on the Margin Money of Rs.2.00/- 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 319 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.5,08,60,742 for 123 cases for which Judgement copy has been received. On receipt of Judgement copy for the remaining 169 cases, TANCEM will deposit the remaining compensation amount in the court. As regards, the balance 71 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.

With regard to lying of deposit to the tune of Rs.13.23 lakhs with High Court of Madras, it is submitted that a sum of Rs.7,41,131 was withdrawn by the ex land owners. As regards, the balance deposit, the withdrawal details are sought from RDO, Sivakasi. Interest on the land acquisition calculated upto 31.03.2021 is Rs.703.77 lakhs.

b) 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 crores were awarded by the Sub-Court Srivilliputhur & 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.

c) M/s. Unicon Engineers, Coimbatore have made reference to Micro & Small Enterprises Facilitation Council (MSEFC) for claiming a balance payment of Rs.39.18 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.6,96,986/- in the year 2016. M/s. Unicon filed an execution petition before Hon'ble High Court in E.P. No.7 of 2017 and E.P. 242 of 2017 claiming compensation with interest. As directed by the Court, TANCEM has deposited 75% of the award for a total amount of Rs.4.41 crores and Rs.10.26 lakhs in the year 2019 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. Hence, TANCEM filed an appeal in the Division Bench and it is yet to be numbered.

- 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.1.48 lakhs for the financial year 2020-21.

VI) As per MOEF Clearance No.J-11011/83/2014-IAII (I) dated 8th September 2017 for the new, 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 need.

Based on above, Out of the total commitment of Rs.1352 lakhs (ie 2.5 % of the total project cost), Rs.1,299.25 lakh has been spent up to 31.03.2021 and Rs.1,135.95 has been charged to Profit & Loss Account respectively. Balance of Rs.52.75 lakh will be expensed in the forth coming year. Rs.66.94 lakhs has been incurred in 2020-21 the same has been charged to Profit & Loss Account for the current year and Rs.163.30 lakhs has been paid as advance for the Medical Equipments supply to Ariyalur Government Hospital.

VII) The Capital Work in progress includes an amount of Rs.42.64 lakhs spent on Modernization of Alangulam unit and Rs.2.63 lakhs spent on extension of Stoneware pipe unit. The same was subsequently dropped by the Board and is awaiting final decision from Government of Tamil Nadu. On receipt of the Government's decision, necessary entries will be passed in the books of accounts.

VIII) Short term loans and advances includes Rs.4.62 crores of amount paid to M/s.Tamil Nadu Explosives Limited as trade advance with interest of 12% per annum. Interest income has been accounted up to FY 2016-17 based on credit notes received from M/s.TEL. Credit note has not been received from M/s Tamil Nadu Explosives Limited towards interest for the FY 2017-18 to 2020-21. Hence Interest which works out to Rs.55 lakhs per annum has not been provided from 2017-18 in our Books of accounts. M/s.TEL has repaid an amount of Rs.2 crore on 06.08.2020 and Rs.1 Crore on 06.09.2021 respectively. M/s.TEL have requested for waiver of interest on the advance. The request has not been accepted by the Management.

- IX)** 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.
- X)** Detoriation value of non-moving items is not ascertained; hence no provision towards this has been made. Ariyalur and Alangulam Cement Works identified the non-moving and obsolete items. The same will be disposed in the FY 2022-2023 after obtaining approval of the competent authority.
- XI)** Obtaining Environmental Clearance for mines at Ariyalur and Alangulam are under process.
- XII)** Confirmation for Trade Receivables, Security Deposits, Stock, Claims Receivables, and Trade Creditors were obtained for selected parties.
- XIII)** Two work orders were placed with M/s. Ashoka gears in 2016 for supply of two belt bucket elevator system to Ariyalur unit and one mechanical conveying system to Alangulam unit at a value of Rs.182.98 lakhs and Rs.148.22 lakhs respectively. The firm supplied materials worth Rs.114.43 lakhs (including taxes) to Ariyalur and was paid Rs.99.24 lakhs against this supply. Further supplies have not been received. The supplied materials were in good condition. An advance of Rs.29.50 lakhs was paid against the work order for Alangulam and no supply of materials was made against this advance. As directed by the Board Civil Suit was filed against M/s Ashoka Gears, Noida for early completion of contract or claiming of penalty.
- XIV)** TANCEM had availed Ways and Means advance of Rs.300 crore vide G.O(Ms) No.63 dated 05.06.2017 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 & Means

advance immediately to the Government of Tamilnadu once the SBI grants the term loan. TANCEM had availed Rs.300 crore term loan on 16.06.2017 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 27.03.2018. TANCEM has requested Government to waive the interest on ways and means advance. The matter is still under consideration by Government. Therefore, Interest amounting to Rs.30.96 crore from 16.06.2017 to 27.03.2018 (279 days) and penal interest of Rs.2.33 crore from 28.03.2018 to 31.03.2021 (1099 days) are not Capitalised in Ariyalur New plant.

31. 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 31/03/2021 (Rs.in Lakhs)		As at 31/03/2020 (Rs.in Lakhs)	
	Imported	Indigenous	Imported	Indigenous
a. Raw Material	2663.56 (35.13%)	4955.28 (64.87%)	381.13 (14.73%)	2205.47 (85.27%)
b. Spare Parts & Components	-	445.01 (100%)	-	1107.89 (100%)

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

TURNOVER	As at 31-03-2021		As at 31-03-2020	
	Qty (in MTs)	Rs. (in Lakhs)	Qty (in MTs)	Rs. (in Lakhs)
i. Cement (TANCEM Units)	8,07,918	35,238.99	4,62,415	19,153.64
ii. Cement (DRDA Supply)	-	-	-	-
iii. Cement (Amma Cement Supply Scheme)	2,34,094	7,083.67	8,26,597	24,539.60
iv. Asbestos Sheets	29	1.21	30	1.26
v. A.C.Pipes	0	0	0	0
vi. Stoneware Pipes	2	0.14	44	3.08
Total	10,42,043	42,324.01	12,89,086	43,697.58

Actual Production (in MTs)	2020-21	2019-20
Alangulam Cement Unit		
Opening Stock	2,683	3,536
Production	1,64,520	88,900
Sales	1,60,290	89,753
Closing Stock	6,913	2,683
Ariyalur Cement Existing Unit		
Opening Stock	4,279	2651
Production	3,51,544	3,71,153
Sales	3,51,122	3,69,525
Closing Stock	4,701	4,279
Ariyalur Cement New Unit		
Opening Stock	5,342	-
Production	2,97,799	8,479
Sales	2,96,506	3,137
Closing Stock	6,635	5,342
Alangulam Sheet Unit		
Opening Stock	1405	1,435
Production	-	-
Sales	29	30
Closing Stock	1,376	1,405
Vridhachalam Stoneware Pipe Unit		
Opening Stock	212	256
Production	-	-
Sales	2	44
Closing Stock	210	212
Amma Cements		
Opening Stock	21,828	30,564
Purchases	2,30,046	8,17,861
Sales	2,34,094	8,26,597
Closing Stock	17,780	21,828

II) Total Depreciation Rs.4209.18 lakhs for the year has been allocated as follows:

Units	General (P&L A/c) (Rs)	Raw Material-Limestone (Rs)	Prior Year Adj.(Rs)	Total (Rs)
Alangulam Cement	44,73,573			44,73,573
Ariyalur Cement – Existing Unit	3,15,38,758	2,87,204		3,18,25,962
Ariyalur Cement – New Unit	38,00,60,314			38,00,60,314
TN Asbestos (S)	1,58,384			1,58,384
Stoneware Pipes	61,733			61,733.47
Corporate Office	33,70,538			33,70,538
Amma Cement Supply Scheme	9,67,350			9,67,350
Total	42,06,30,650	2,87,204	-	42,09,17,854

III) **MISCELLANEOUS-**

The Fixed Assets of the company are insured against fire risks for the acquisition value/market values whichever is applicable.

IV) **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.

For and on behalf of Board of Directors

ARJUNAN
Chief Financial Officer

Dr LAKSHMI MANEAN
Company Secretary

Dr. G.NATARAJAN
Director

ANIL MESHARAM, I.A.S
Managing Director

Date : 25.11.2021
Place : Chennai.