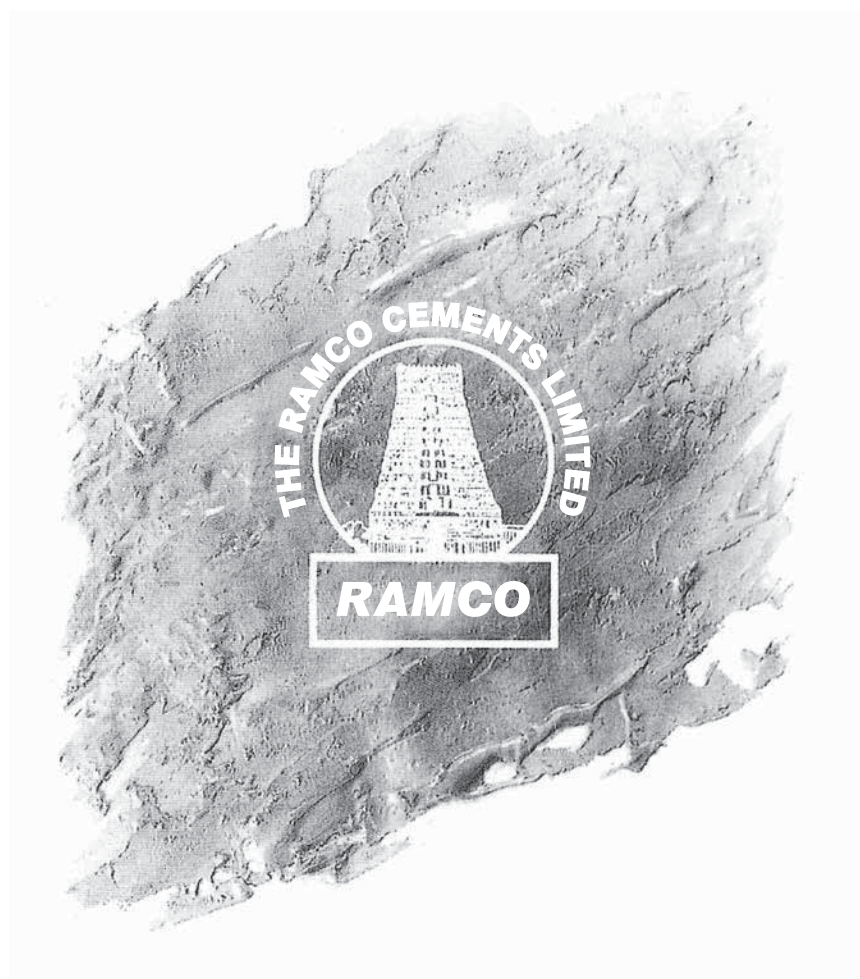


The Ramco Cements Limited

Annual Report

2013-2014





Chairman & Managing Director, Shri.P.R.Ramasubrahmaneya Rajha signing an MOU with National Thermal Power Corporation, Simhadri Unit for supply of Fly Ash.



Chairman & Managing Director, Shri.P.R.Ramasubrahmaneya Rajha meeting Honourable Chief Minister of Andhra Pradesh, Shri.N.Chandrababu Naidu.



Rotary Club of Madras East, bestowing the first corporate citizen award to Chairman & Managing Director, Shri.P.R.Ramasubrahmaneya Rajha.

THE RAMCO CEMENTS LIMITED

(Formerly Madras Cements Ltd.)



Board of Directors

Shri.P.R.RAMASUBRAHMANEYA RAJHA, B.Sc.,
Chairman & Managing Director

Shri.SWARAN SINGH, I.A.S.,
Nominee of Government of Tamil Nadu

Shri.P.R.VENKETRAMA RAJA, B.Tech.,

Shri.R.S.AGARWAL, B.Sc., B.E.,

Shri.M.B.N.RAO, B.Sc. (Agri).

Shri.M.M.VENKATACHALAM, B.Sc. (Agri).

Bankers

Axis Bank Ltd

Bank of Baroda

Bank of Maharashtra

Canara Bank

Citi Bank

Deutsche Bank

HDFC Bank Ltd

ICICI Bank Ltd

IDBI Bank Ltd

ING Vysya Bank Ltd

Kotak Mahindra Bank Ltd

Punjab & Sind Bank

Standard Chartered Bank

Syndicate Bank

The Bank of Nova Scotia

The Federal Bank Limited

The Hongkong and Shanghai
Banking Corporation Ltd

Yes Bank Ltd

Corporate Office

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

Registered Office

“Ramamandiram”
Rajapalayam – 626 117, Tamil Nadu

Website

www.ramcocements.in

Corporate Identity Number

L26941TN1957PLC003566

Auditors

M/s.M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Unit-5, Ground Floor, Abirami Apartments
No.14, VOC Road, Cantonment
Tiruchirappalli – 620 001.

M/s.CNGSN & Associates
Chartered Accountants
20, Raja Street
T.Nagar
Chennai - 600 017.

THE RAMCO CEMENTS LIMITED

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TEN YEAR HIGHLIGHTS

DESCRIPTION	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Cement										
Capacity (lac tonnes)	59.90	59.90	59.90	79.90	99.90	104.90	104.90	104.90	124.90	124.90
Production (lac tonnes)	38.00	47.10	56.70	58.50	65.30	80.30	73.05	75.22	84.75	85.90
Windfarm										
Capacity (MW)	34.44	45.84	63.79	136.00	181.59	185.59	159.19	159.19	159.19	125.95
Generation (lac units)	445	378	657	1426	2611	4115	3572	2855	3247	2667
Sales & Other Income (Rs. in Crores)	745.11	1013.35	1581.69	2021.35	2471.23	2821.25	2644.69	3256.58	3872.66	3769.23
Operating Profit (Rs. in Crores)	160.43	215.52	563.50	761.76	793.49	877.29	657.31	969.77	1047.30	648.76
Cash Generation (Rs. in Crores)	115.36	147.71	409.92	639.16	628.52	644.97	435.65	811.32	868.79	460.63
Profit After Tax (Rs. in Crores)	55.92	79.02	308.02	408.29	363.52	353.68	210.98	385.11	403.65	137.70
Number of employees	1642	1686	1955	2260	2447	2583	2593	2626	2787	2937
Contribution to Exchequer (Rs. in Crores)	275	321	561	610	711	809	839	1186	1423	1403
Face value per share (Rs.)	10	10	10	10	1	1	1	1	1	1
Earnings per share (Rs.)	46	65	255	343	15	15	9	16	17	6
Dividend per share (Rs.)	10.00	15.00	25.00	40.00	2.00	2.00	1.25	2.50	3.00	1.00
Dividend payout (Rs. in Crores)	12.10	18.14	30.24	48.03	47.66	47.66	29.79	59.58	71.49	23.83
Dividend payout %	22	23	10	12	13	13	14	15	18	17
Operating profit ratio %	21.53	21.27	35.63	37.69	32.11	31.10	24.85	29.78	27.04	17.21
Market price of share (Rs.)										
(a) High	1170	2245	3750	5072	198	140	134	169	274	261
(b) Low	595	932	1745	2500	55	70	85	76	134	135
(c) As on 31 st March	980	2164	2730	3349	71	122	102	154	254	215
Market capitalisation (Rs. in Crores)	1184	2614	3297	3986	1700	2897	2427	3659	6045	5117
Net worth per share (Rs.)	274	323	550	799	52	65	73	86	100	104

Bonus shares were issued in the ratio of 1:1 in 1992-93, 1994-95 and 2008-09.

THE RAMCO CEMENTS LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the 56th Annual General Meeting of the Company will be held at 10.15 AM on Monday, the 28th July 2014 at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March 2014 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year 2013-14.
3. To appoint Auditors and, if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants be and are hereby jointly appointed as Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the 59th Annual General Meeting.

RESOLVED FURTHER that each of the Auditors shall be paid for the financial year 2014-15 and 2015-16 a remuneration of Rs.10,00,000/- (Rupees Ten lakhs only) per year, exclusive of out-of-pocket expenses and for the financial year 2016-17, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED that Article 119A, of the Articles of Association of the Company, be amended as follows:

119A. The Board of Directors may appoint one or more amongst them including the Chairman of the Board as Managing Director of the Company to carry on the management of the business and affairs of the Company on such terms and conditions including remuneration as the Board may, from time to time determine, subject to the approval of the shareholders, in accordance with the provisions of Schedule V read with Sections 196 and 197 of the Companies Act, 2013 and the Rules in force.”

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED that pursuant to Section 152 of the Companies Act, 2013, Shri.P.R.Ramasubrahmaneya Rajha, Chairman & Managing Director, in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, be and is hereby appointed as a Director liable to retire by rotation.



RESOLVED FURTHER that pursuant to Sections 196, 197 and 203 and any other applicable provisions and the Rules thereunder, read with Schedule V of the Companies Act, 2013 and on the terms and conditions of appointment as contained in the draft agreement, approval of the Company be and is hereby accorded to the appointment of Shri.P.R.Ramasubrahmaneya Rajha (DIN 00331357) as Chairman & Managing Director of the Company for a period of 3 years with effect from 01-04-2014, at a remuneration equivalent to 5% of the net profits of the Company.

RESOLVED FURTHER that the Nomination and Remuneration Committee be and is hereby authorised to fix the quantum and periodicity of the remuneration payable to the Managing Director subject however the annual remuneration does not exceed 5% of the net profits of the Company in an accounting year.

RESOLVED FURTHER that where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, the Chairman & Managing Director shall be paid remuneration as approved by the Nomination and Remuneration Committee which shall not exceed the maximum remuneration as permissible under Section II, Part II of Schedule V of the Companies Act, 2013.”

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri.R.S.Agarwal (DIN 00012594), Director of the Company who is liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri.M.B.N.Rao (DIN 00287260), Director of the Company who is liable to retire by rotation and who is retiring at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri.M.M.Venkatachalam (DIN 00152619), Director of the Company who has been appointed as an Additional Director and holds office until this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”

THE RAMCO CEMENTS LIMITED

9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED that subject to the approval of the Financial Institutions/Banks, in supersession of the resolution passed at the Annual General Meeting held on 2nd August 2010 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the maximum amount of moneys so outstanding, shall not at any time exceed Rs.5,000 Crores (Rupees Five thousand crores only).”

10. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED that pursuant to Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers, Returns required to be maintained by the Company under Section 94 of the Companies Act, 2013, may be maintained at the Company’s Corporate Office at “Auras Corporate Centre”, No:98-A, Dr.Radhakrishnan Salai, Mylapore, Chennai – 600 004, with effect from 1st August 2014.”

Chennai
21-06-2014

By Order of the Board,
For THE RAMCO CEMENTS LIMITED,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
2. A member entitled to attend at the meeting is entitled to appoint a Proxy to attend instead of himself and the Proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22-07-2014 to 28-07-2014 (both days inclusive).
4. A Dividend of Rs.1/- per share has been recommended by the Board of Directors for the year ended 31-03-2014 and subject to the approval of the Shareholders at the ensuing Annual General Meeting, is proposed to be paid in



respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 28-07-2014 and in respect of shares held in electronic form to the beneficial owners whose names appear in the list furnished by the Depositories for this purpose as on 21-07-2014. The dividend is proposed to be paid on and from the date of Annual General Meeting.

5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company is in compliance with SEBI's directive in this regard.
6. Under the provisions of Section 124 (5) of the Companies Act, 2013, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

Year	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund
2006-07	Final Dividend	27-07-2007	26-07-2014	24-08-2014
2007-08	1 st Interim Dividend	23-10-2007	22-10-2014	20-11-2014
	2 nd Interim Dividend	31-01-2008	30-01-2015	28-02-2015
	Final Dividend	11-08-2008	10-08-2015	08-09-2015
2008-09	Interim Dividend	29-01-2009	28-01-2016	26-02-2016
	Final Dividend	05-08-2009	04-08-2016	02-09-2016
2009-10	Interim Dividend	27-10-2009	26-10-2016	24-11-2016
	Final Dividend	02-08-2010	01-08-2017	31-08-2017
2010-11	Dividend	10-08-2011	09-08-2018	07-09-2018
2011-12	Interim Dividend	21-03-2012	20-03-2019	18-04-2019
	Final Dividend	02-08-2012	01-08-2019	30-08-2019
2012-13	1 st Interim Dividend	05-11-2012	04-11-2019	02-12-2019
	2 nd Interim Dividend	13-02-2013	12-02-2020	12-03-2020
	Final Dividend	29-07-2013	28-07-2020	26-08-2020

THE RAMCO CEMENTS LIMITED

7. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2013-14 are being sent to all the members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – www.ramcocements.in for their download.
8. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-Mail IDs recorded are requested to register their E-mail address and changes therein with the Company in respect of physical shares and with Depository Participants in respect of dematerialised shares.

Chennai
21-06-2014

By Order of the Board,
For THE RAMCO CEMENTS LIMITED,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

As per Section 203 (1) of the Companies Act, 2013, the Articles of Association of the Company should specifically enable for appointment of Managing Director of the Company as Chairperson of the Company as well. As the Company's Articles of Association does not contain this provision, it is proposed to amend the Articles of Association to incorporate such an enabling provision, as mentioned in the Resolution. As per Section 14 of the Companies Act, 2013, alteration of the Articles of Association requires the approval of the Members by way of a Special Resolution.

Disclosure of Interest:

Shri.P.R.Ramasubrahmaneya Rajha (DIN 00331357) is deemed to be interested in the Resolution as alteration of Articles of Association is to enable him to be the Company's Chairman and Managing Director.

Shri.P.R.Venketrama Raja is related to Shri.P.R.Ramasubrahmaneya Rajha.

No other Director or Key Managerial Personnel or any of their relatives are deemed to be interested in this Resolution.

Item No.5

Shri.P.R.Ramasubrahmaneya Rajha (DIN 00331357) was first appointed as Managing Director of the Company on 02-04-1970. At that time, the Company's net worth was Rs.1.93 Crores and the turnover was Rs.2.70 Crores, with Ramasamy Raja Nagar as the only unit for the Company with a capacity of 2 lacs tonnes per annum. Under his leadership, the Company has now grown with Cement Plants at 5 different locations in three States with an aggregate grinding capacity of 12.49 million tonnes per annum and with diversification in Wind Energy, Ready Mix and Dry Mix products. The Company's net worth has increased to Rs.2,482 Crores with a turnover of Rs.3,769 Crores. The Company has a record of consistent profit and declaration of dividend. The Company has grown to be the largest cement manufacturer in South India and one of the most profitable companies in the Cement Industry.

Shri.P.R.Ramasubrahmaneya Rajha was reappointed as Managing Director of the Company by the Board of Directors at their meeting held on 29-05-2009 and by the shareholders at the Annual General Meeting held on 05-08-2009 for a further period of 5 years from 02-04-2010 to 01-04-2015 pursuant to Article 119A of the Articles of Association of the Company and in accordance with the provisions of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

It is now proposed to have his appointment approved by the shareholders under the provisions of the Companies Act, 2013 in lieu of his earlier appointment. The appointment is for a period of 3 years starting from 01-04-2014 to 31-03-2017.

Terms of Remuneration:

- * 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.
- * In any financial year, where the Company has no profits or inadequacy of profits, the Chairman & Managing Director shall be paid the maximum remuneration as per Section II, Part II of Schedule V of the Companies Act, 2013.

The proposed appointment and the payment of remuneration has been approved by the Remuneration Committee (subsequently renamed as Nomination and Remuneration Committee) at its meeting held on 21-05-2014 and by the Board of Directors at their meeting held on 22-05-2014.

The reappointment and the remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required.

As the Managing Director had attained the age of 70 years, his reappointment is proposed to be passed as a Special Resolution and hence approval of the Central Government is not required in this regard also.

THE RAMCO CEMENTS LIMITED

A copy of the agreement setting out the terms and conditions of reappointment of the Chairman & Managing Director is available for inspection without any fee by the members at the Registered Office of the Company between business hours on any working day upto and including the date of the Annual General Meeting.

Shri.P.R.Ramasubrahmaneya Rajha holds 37,84,340 shares in The Ramco Cements Limited.

Shri.P.R.Ramasubrahmaneya Rajha is the Director in the following Companies:

No	Name of the Company	Nature of interest
1	The Ramco Cements Limited	Chairman
2	Rajapalayam Mills Limited	Chairman
3	The Ramaraju Surgical Cotton Mills Limited	Chairman
4	Ramco Industries Limited	Chairman
5	Ramco Systems Limited	Chairman
6	Thanjavur Spinning Mill Ltd.	Chairman
7	Sri Vishnu Shankar Mill Limited	Chairman
8	Madras Chipboard Limited	Chairman
9	Sandhya Spinning Mill Limited	Chairman
10	Sudharsanam Investments Limited	Chairman
11	Sri Harini Textiles Limited	Chairman
12	Shri Harini Media Limited	Director
13	Rajapalayam Textile Limited	Director
14	The Rajapalayam Chamber of Commerce & Industry	Director
15	Ramco Management Private Ltd.	Chairman
16	Sri Sandhya Farms (India) Private Limited	Director
17	Ramamandiram Agricultural Estate Private Limited	Director
18	Nalina Agricultural Farms Private Limited	Director
19	Nirmala Shankar Farms & Estates Pvt Ltd.	Director
20	Sri Saradha Deepa Farms Private Limited	Director
21	RCDC Securities and Investments Private Limited	Director
22	Sri Nithyalakshmi Farms Pvt Ltd.	Director
23	Ram Sandhya Farms Private Ltd.	Director
24	Ramco Systems Corporation - USA	Director
25	Sri Ramco Lanka (Private) Limited – Sri Lanka	Director
26	Sri Ramco Roofings Lanka Private Limited – Sri Lanka	Director

Shri.P.R.Ramasubrahmaneya Rajha is a Member in the following Committees of the Board.



No	Name of the Company	Name of the Committee	Position
1	The Ramco Cements Limited	Project Management Committee	Chairman
2	The Ramco Cements Limited	Investors Grievance Committee	Member
3	The Ramco Cements Limited	Share/Debenture Committee	Chairman
4	Ramco Industries Limited	Investors Grievance Committee	Chairman
5	Ramco Industries Limited	Share Transfer Committee	Chairman
6	Ramco Systems Limited	Shareholders Committee	Chairman
7	Ramco Systems Limited	Compensation Committee	Member
8	Rajapalayam Mills Limited	Share Transfer Committee	Chairman
9	Rajapalayam Mills Limited	Investors Grievance Committee	Chairman
10	The Ramaraju Surgical Cotton Mills Limited	Share Transfer Committee	Chairman
11	Sandhya Spinning Mill Limited	Share Transfer Committee	Chairman
12	The Ramaraju Surgical Cotton Mills Limited	Shareholders / Investors Grievance Committee	Chairman
13	Thanjavur Spinning Mill Limited	Remuneration Committee	Chairman
14	Sri Harini Textiles Limited	Share Transfer Committee	Chairman

None of the Directors and Key Managerial Personnel except Shri.P.R.Ramasubrahmaneya Rajha as appointee and Shri.P.R.Venketrama Raja as a relative may be deemed to be concerned or interested in the Resolution.

The Notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

I. General Information:

1	Nature of Industry	Cement
2	Date of Commencement of Business	31-07-1957
3	Financial performance based on given indicators	

Year	Turnover – Rs. in crores	Net Profit – Rs. in crores	Dividend per share – in Rs.
2012-13	3,872.66	403.65	3.00
2011-12	3,256.58	385.11	2.50
2010-11	2,644.69	210.98	1.25

4	Foreign investments or collaborations, if any	NIL
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THE RAMCO CEMENTS LIMITED

II. Information about the appointee:

1	Background Details	Shri. P.R.Ramasubrahmaneya Rajha is a Promoter and Chairman & Managing Director.
2	Past Remuneration	He has been paid a remuneration @ 5% of the net profits of the Company.
3	Recognition or awards	Has won several recognitions and awards
4	Job profile and his suitability	Overall in-charge for Management of the affairs of the Company.
5	Remuneration proposed	5% of the net profits of the Company and in case of inadequacy of profits, maximum permissible remuneration, in accordance with Schedule V of the Companies Act, 2013.
6	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.
7	Relationship with managerial personnel	He is related to Shri.P.R.Venketrama Raja, Director of the Company.

III. Other Information:

1	Reasons for loss or inadequate profits	Not applicable, as the Company is continuously making profits.
2	Steps taken or proposed to be taken for improvement	
3	Expected increase in productivity and profits in measurable terms	

IV. Disclosures: As required, the information are provided under Corporate Governance Section.

Item No.6

Shri.R.S.Agarwal (DIN 00012594) is a Non-Executive Independent Director of the Company.

Shri.R.S.Agarwal, B.Sc., B.E. (Chemical Engineering) started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

While in service with IDBI, he had dealt with many subjects and projects including –

Member of “Satyam Committee” set up by Government of India in 1999-2000 for formulation of policy for textile industry and involvement in preparation of policy notes, detailed guidelines and implementation of “Technology Upgradation Fund (TUF)” introduced by the Ministry of Textiles, Government of India in April 1999.

Preparation of policy paper and guidelines on development of “Special Economic Zone” in the country for the Ministry of Commerce, Government of India in January 2002.

Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

He has been on the Board of The Ramco Cements Limited since 2006.

He is also the Chairman of the Audit Committee and Remuneration Committee (subsequently renamed as Nomination and Remuneration Committee) of the Company.



He is a Member in the Board of Directors of the following Companies:-

1	Ramco Industries Limited	6	Elegant Marbles & Grani Industries Ltd.
2	Ramco Systems Limited	7	Videocon Industries Ltd.
3	Surya Lakshmi Cotton Mills Ltd.	8	Loop Mobile (India) Limited
4	Surya Lata Spinning Mills Ltd.	9	Liberty Videocon General Insurance Company Limited
5	GVK Jaipur Expressway Pvt. Ltd.		

He is also a Member in the following Committees

Name of the Company	Name of the Committee	Position
Ramco Industries Limited	Audit Committee	Chairman
	Remuneration Committee	Chairman
Surya Lakshmi Cotton Mills Ltd.	Audit Committee	Member
Surya Lata Spinning Mills Ltd.	Audit Committee	Member
GVK Jaipur Expressway Pvt Ltd.	Audit Committee	Member
Elegant Marbles & Grani Industries Ltd.	Audit Committee	Member
Videocon Industries Ltd.	Audit Committee	Chairman

He holds no shares in The Ramco Cements Limited.

Shri.R.S.Agarwal is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri.R.S.Agarwal being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years from 01-04-2014 to 31-03-2019. In the opinion of the Board, Shri.R.S.Agarwal fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management.

A copy of the draft letter of appointment for Shri.R.S.Agarwal as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Disclosure of Interest:

Except Shri.R.S.Agarwal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.7

Shri.M.B.N.Rao (DIN 00287260) is a Non-Executive Independent Director of the Company.

Shri.Rao, a graduate in Agriculture holds Diploma in Computer Studies from University of Cambridge and National Computing Centre, London and Certificate in Industrial Finance.

He started his Banking career in the year 1970 when he joined Indian Bank as a Probationary Officer. He has handled various assignments in the Banking Industry in India and Overseas and rose to become the Chairman and Managing Director of Indian Bank and later Chairman & Managing Director of Canara Bank, from where he retired.

THE RAMCO CEMENTS LIMITED

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

He has been on the Board of The Ramco Cements Limited since 2009.

He is a Member in the Board of Directors of the following Companies:-

1	Ramco Industries Limited	10	Aircel Cellular Limited
2	EID Parry (India) Limited	11	Dishnet Wireless Limited
3	Taj GVK Hotels and Resorts Limited	12	CRISIL Risk and Infrastructure Solutions Limited
4	Electro Steel Castings Limited	13	Nuziveedu Seeds Limited
5	Aircel Limited	14	Lanco Power Limited
6	Apollo Munich Health Insurance Company Limited	15	Franklin Templeton Asset Management (India) Pvt. Ltd.
7	Lanco Amarkantak Power Limited	16	MMTC - PAMP India Pvt. Ltd.
8	Indian Clearing Corporation Limited	17	Mandava Holdings Pvt. Ltd.
9	Cholamandalam Investment and Finance Company Limited	18	BFSI Sector Skill Council of India

He is also a Member in the following Committees:-

Name of the Company	Name of the Committee	Position
Cholamandalam Investment and Finance Company Limited	Audit Committee	Member
	Business Committee	Member
	Risk Management Committee	Member
	Compensation & Nomination Committee	Member
EID Parry (India) Limited	Audit Committee	Chairman
	Risk Management Committee	Chairman
	Compensation & Nomination Committee	Member
Apollo Munich Health Insurance Company Limited	Audit Committee	Chairman
Lanco Amarkantak Power Limited	Audit Committee	Chairman
Electro Steel Castings Limited	Audit Committee	Member
	Banking & Finance Committee	Member
TAJ GVK Hotels and Resorts Limited	Audit Committee	Member
Nuziveedu Seeds Limited	Audit Committee	Member
	IT Committee	Member
Lanco Power Limited	Audit Committee	Member
Ramco Industries Limited	Audit Committee	Member



Name of the Company	Name of the Committee	Position
Indian Clearing Corporation Limited	Audit Committee	Chairman
	Committee of Board to advise on USE and BOISL	Member
	Risk Management Committee	Member
	Public Interest Directors Committee	Member
	Membership Selection Committee	Member
	Investment Committee	Chairman
	Independent Oversight Committee on Membership Regulations	Member
	Ethics Committee	Member
	Investor Services Committee	Member
	Grievance Redressal Committee	Member

He holds no shares in The Ramco Cements Limited.

Shri.M.B.N.Rao is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri.M.B.N.Rao being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years from 01-04-2014 to 31-03-2019. In the opinion of the Board, Shri.M.B.N.Rao fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management.

A copy of the draft letter of appointment for Shri.M.B.N.Rao as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Disclosure of Interest:

Except Shri.M.B.N.Rao, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.8

Shri.M.M.Venkatachalam (DIN 00152619) is a Non-Executive Independent Director of the Company.

Shri.M.M.Venkatachalam, a graduate in Agriculture from the University of Agricultural Sciences in Bangalore, holds Masters in Business Administration from the George Washington University, USA.

He had held the position of Vice Chairman of The Planters' Association of Tamil Nadu and was the past president of The Employers' Federation of Southern India.

Shri.M.M.Venkatachalam was appointed as an Additional Director by the Board of Directors of the Company on 23-10-2013. He holds office till the date of the Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri.M.M.Venkatachalam being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years from 01-04-2014 to 31-03-2019. In the opinion of the Board, Shri.M.M.Venkatachalam fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management.

THE RAMCO CEMENTS LIMITED

He is also a Director in the following Companies:-

1	Ramco Systems Limited	9	M.M.Muthiah Sons Private Limited
2	Ambadi Enterprises Limited	10	M.M.Muthiah Research Foundation
3	USV Limited	11	Ambadi Investments Private Limited
4	Coromandel International Limited	12	New Ambadi Estates Private Limited
5	Coromandel Engineering Company Limited	13	Ootacamund Club
6	Parry Agro Industries Limited	14	Alampara Hotels and Resorts Private Limited
7	Sabero Organics Gujarat Limited	15	Parry Murray and Company Furnishings & Floor Coverings (India) Private Limited
8	Polutech Limited		

He is also a Member in the following Committees:-

Name of the Company	Name of the Committee	Position
Ramco Systems Limited	Audit Committee	Chairman
Coromandel International Limited	Audit Committee	Member
The Ramco Cements Limited	Audit Committee	Member
	Remuneration Committee	Member

He holds no shares in The Ramco Cements Limited.

A copy of the draft letter of appointment for Shri.M.M.Venkatachalam as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Disclosure of Interest:

Except Shri.M.M.Venkatachalam, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.9

The Members of the Company at the Annual General Meeting held on 02-08-2010 have passed an Ordinary Resolution, permitting the Company to borrow such that the maximum outstanding amount shall not, at any time exceed Rs.5,000 crores, under Section 293(1)(d) of the Companies Act, 1956.

As per Circular No.4/2014 dated 25-03-2014, issued by Ministry of Corporate Affairs, the validity of the resolution is restricted upto 11-09-2014.

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors are entitled to borrow in excess of the Company's Paid-up Capital and Free Reserves, with the consent of the Members by way of Special Resolution. Accordingly, approval is sought from Members by way of Special Resolution to authorise the Board of Directors to borrow such that the maximum outstanding, shall not at any time exceed Rs.5,000 crores.

As provided under Section 180(1)(c) of the Companies Act, 2013, the limit is exclusive of loans repayable on demand or within six months from the date of the loan such as short term, cash credit, discounting of bills and other short term loans of seasonal character.



Your Directors recommend the resolution for your approval.

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

Item No.10

The Register of Members is presently required to be maintained in the Registered Office. In terms of Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers, Returns required to be maintained under Section 94 of the Companies Act, 2013, can be maintained at any other place in India, in which more than one-tenth of total members reside, if so authorised by way of a Special Resolution. It is proposed to maintain these registers at the Company's Corporate Office at Chennai, since more than 10% of the members reside in Chennai.

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

Chennai
21-06-2014

By Order of the Board,
For THE RAMCO CEMENTS LIMITED,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

THE RAMCO CEMENTS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 56th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2014.

	(Rs. in crores)		
FINANCIAL RESULTS	STANDALONE	CONSOLIDATED	
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014
Total Revenue	3,769.23	3,872.66	3,746.81
Operating Profit: Profit before Interest, Depreciation and Tax (PBIDT)	648.76	1,047.30	625.57
Less : Interest	188.13	178.51	188.13
Profit before Depreciation and Tax (PBDT)	460.63	869.79	437.44
Less : Depreciation	306.29	280.58	306.43
Net Profit before Tax	154.34	588.21	131.01
Less : Provision for Tax			
Current Tax	32.30	117.38	32.30
Deferred Tax	21.01	67.18	20.90
MAT Credit Entitlement	(36.67)	0.00	(36.67)
Net Profit After Tax before Minority Interest	137.70	403.65	114.48
Minority Interest	—	—	(0.07)
Net Profit After Tax	137.70	403.65	114.55
Add : Balance Profit from last year	90.31	69.93	90.31
Surplus for Appropriation	228.01	473.58	204.86
Appropriations:			
1. Transfer to General Reserve	100.13	300.00	100.13
2. 1 st Interim Dividend	—	23.83	—
3. 2 nd Interim Dividend	—	23.83	—
4. Final Dividend	23.83	23.83	23.83
5. Tax on Dividends	4.05	11.78	4.05
Balance carried over to Balance Sheet	100.00	90.31	76.85
TOTAL	228.01	473.58	204.86

SHARE CAPITAL

The paid up capital of the Company is Rs.23,79,69,380/- consisting of 23,79,69,380 shares of Rs.1/- each.

DIVIDEND

Your Directors have pleasure in recommending a dividend of Rs.1/- per share on the equity capital of the Company, as against Rs.3/- per share for the previous year. The total dividend for the year amounts to Rs.23.83 crores as against Rs.71.49 crores for the previous year.

TAXATION

An amount of Rs.32.30 crores towards Current Tax, Rs.21.01 crores towards Deferred Tax and Rs.4.05 crores towards Dividend Tax has been provided for the year under review. The Company's entitlement of MAT credit of Rs.36.67 crores has been recognised in the books during the year.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

CEMENT DIVISION

PRODUCTION

(In Tonnes)

PARTICULARS	April 2013 to March 2014	April 2012 to March 2013	Change over previous year	
Clinker	65,39,471	63,23,033	2,16,438	3%
Cement	85,90,194	84,75,412	1,14,782	1%

SALES

During the year under review, the sale of cement has increased to 85.97 lakh tonnes, compared to 83.60 lakh tonnes of the previous year, showing an increase of 3%.

The general slowdown in the economy has affected the infrastructure activities, thereby affecting the cement industry as a whole.

The political disturbances in Andhra Pradesh due to bifurcation of the state, has adversely affected the construction activities in the State. In Southern States, the construction industry has faced scarcity of raw materials like, river sand and blue metal, affecting the construction activities. There has only been marginal growth in the Reality Sector, both with respect to Commercial and Residential Projects. In Kerala, which is another major market for the Company, the excess rain fall during the monsoon season has also affected the off-take.

Considering the difficult circumstances and factors in the domestic sector, the Company has concentrated in expanding the export market where we are normally selling and also exploring new markets abroad. Due to the efforts taken during the year 2.25 lakh tonnes were exported as against 0.84 lakh tonnes during the previous year. The export turnover of the Company for the year was Rs.82.45 crores as against Rs.28.70 crores of the previous year.

The grinding unit at West Bengal has helped in establishing and in expanding the markets for our cement in the Eastern Region of the country.

COST

During the year under review there has been consistent increase in the diesel prices. The price of diesel which was Rs.51.78 per litre on 01-04-2013 has undergone periodical increase during the year and price was Rs.59.17 per litre as on 31-03-2014, which works out to 14% of increase compared to the previous year. This has resulted in increase in the cost of transport of inward materials and also in distribution cost of finished goods.

During the year the Rupee has depreciated against US Dollar. Further there were wide fluctuations during the year. Due to this our regular imports of Coal, Pet Coke, Gypsum and other materials have become costlier. As our thermal power plants are also dependent upon imported coal, the rupee depreciation has adversely affected our power generation cost also. However, the Company was able to source coal in international market at competitive rates thereby reducing the impact of adverse exchange fluctuations. The Company follows a conservative policy of covering all its foreign currency exposures at the time of commitment itself.

The interest cost has increased because of increase in the borrowings for expansion and also increase in the interest rates.

The Sales realisation was lower by 10% compared to that of previous year. This was due to lower prices for cement prevailed during the year and also due to increase in the logistics cost. In logistics, the railways have increased the freight rates by about 5% during the year, impacting the cost of movement of cement through wagons. Further, for factors already explained for the states of Andhra Pradesh and Tamil Nadu, we had to transport materials to other states and far off markets, thereby incurring more freight for longer distances.

THE RAMCO CEMENTS LIMITED

READY MIX CONCRETE DIVISION

The Division has produced 44,307 cu.m of concrete during the year, accounting for a revenue of Rs.16.36 Crores (Net of Excise Duty and VAT) as against 49,410 cu.m. of concrete accounting for a revenue of Rs.18.13 Crores during the previous year.

DRY MORTAR DIVISION

The Division has produced 37,483 tonnes of Dry Mortar during the year as against 25,360 tonnes produced during the previous year. The Division has sold 36,971 tonnes of Dry Mortar accounting for a revenue of Rs.22.84 crores (Net of Excise Duty and VAT) during the year as against 25,306 tonnes of Dry Mortar accounting for a revenue of Rs.16.89 Crores during the previous year.

FORMATION OF A SUBSIDIARY COMPANY

Your Board of Directors at their meeting held on 29-07-2013 approved to establish a Subsidiary Company by name, RAMCO WINDFARMS LIMITED. Accordingly, the Company was incorporated on 26-11-2013 with a paid up capital of Rs.1 crore. The Ramco Cements Limited holds 71.50 lakh shares of Rs.1/- each amounting to 71.50% of the paid up share capital and the rest of the share capital is held by Ramco Group of Companies.

The Ramco Cements Limited has sold 121 Nos. of Wind Electric Generators aggregating to 33.235 MW to the Subsidiary Company in March 2014 for a value of Rs.31.39 crores.

The power generated by Ramco Windfarms Limited will be consumed by the shareholder companies depending upon their requirements.

WIND FARM DIVISION

The Division has generated 2,667 lakh units as compared to 3,247 lakh units of the previous year. Out of this, 2,564 lakh units were generated from the wind farms in Tamil Nadu and 103 lakh units from the wind farms in Karnataka. Out of the units generated in Tamil Nadu, 296 lakh units are meant for adjustment against the power consumed in the Company's plants and balance 2,268 lakh units have been sold to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for a value of Rs.67.32 crores. The units generated in Karnataka were fully consumed at our Mathodu Cement Plant.

The generation from wind farms in Tamil Nadu has been adversely affected due to evacuation constraints imposed by TANGEDCO. Hence we could not evacuate the full generation of power produced during the year. Because of this, even though our wind farm areas had witnessed good wind season, we were not able to generate power to its full potential. The backing down of the Wind Electric Generators by TANGEDCO had caused generation loss of upto 50% during certain periods.

The income during the year from the Division was Rs.68.24 Crores as against Rs.87.08 Crores of the previous year.

Subsequent to the sale of 121 Nos. of Wind Electric Generators to Ramco Windfarms Limited, the installed capacity of the wind farm of the Company is 125.95 MW comprising of 108 Wind Electric Generators.

TURNOVER AND PROFITABILITY

The total revenue for the year (Net of Excise Duty and VAT) was Rs.3,769 crores as against Rs.3,873 crores of the previous year.

The operating profit and net profit for the year were Rs.648.76 crores and Rs.137.70 crores as against Rs.1,047.30 crores and Rs.403.65 crores respectively of the previous year.

As already explained, the reduction in realisation and the increase in costs have contributed to the steep fall in profits for the year, compared to the previous year.



NEW PROJECTS

In the Directors' Report for the year ended 31-03-2013, it was informed about the Company's proposal to establish its 4th grinding unit at Vizag with a capacity to grind 1 Million Tonnes Per Annum, at a cost of Rs.360 crores. The establishment of the grinding unit is under way.

During the month of October 2013, there was incessant rains due to Phailin Cyclone that attacked North Coastal Andhra Pradesh and Odisha State, which hampered the construction activities for a period of nearly 50 days.

However, by increasing the efforts and by mobilising additional resources, we are planning to commission the grinding unit in the second quarter of 2014-15 as originally informed in the Directors' Report for the year ended 31-03-2013.

Commissioning of the Grinding Unit at Vizag would help the Company in increasing its market share in the Vizag Region and also in the States of Odisha and Chattisgarh.

POWER PLANTS

In the Directors' Report for the year ended 31-03-2013, it was informed about the proposal to enhance the capacity of the thermal power plants at Alathiyur, Ariyalur and Jayanthipuram by adding 1 turbine each of 6 MW capacity at a total cost of Rs.55 crores. Orders have been placed for Alathiyur and Ariyalur and the works have started. The projects would be commissioned in the 3rd quarter of the current year.

The enhancement of capacity of the thermal power plant at Jayanthipuram is yet to commence.

The existing thermal power plants were operated in optimal manner to meet the power requirements of the cement plants and the surplus power was sold to HT consumers / State Electricity Board.

FUTURE OUTLOOK

Consequent to the completion of the general elections and assumption of the new Government at the Centre, the economic activities which had slowed down during the election period is expected to pick up. The new Government's economic policies are expected to give a big push and the Indian Economy is expected to record a GDP growth of 5.4% to 5.7% in the current year. The infrastructure activities are expected to enthuse the construction activities thereby positively impacting the demand for cement. As all our plants are fully equipped with railway siding, stand-by power back up facility and are supported with grinding units, our Company will be able to take full advantage of the economic momentum in the coming years.

CONSERVATION OF ENERGY, ETC.

The Company continues to take keen interest in conservation of energy and the information required under Section 217(1)(e) of the Companies Act, 1956 read with the relevant Rules, with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are set out in Annexure I to this report.

INDUSTRIAL RELATIONS & PERSONNEL

The Company has 2,937 employees as on 31-03-2014. Industrial relations in all the Units continue to be cordial and healthy. Employees at all levels are extending their full support and are actively participating in the various programmes for energy conservation and cost reduction. There is a special thrust on Human Resources Development with a view to promoting creative and Group effort.

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Member who is interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary.

THE RAMCO CEMENTS LIMITED

SUBSIDIARY COMPANIES

Ministry of Corporate Affairs, Government of India, has vide its Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has exempted companies from attaching the annual accounts and other particulars of its subsidiary companies along with the Annual Report of the Company as required under Section 212 of the Companies Act, 1956. Therefore, the annual accounts of the subsidiary viz. Ramco Windfarms Limited are not attached with this Annual Report. However, a statement giving information as required vide aforesaid circulars is placed along with the Consolidated Accounts.

The Annual Accounts of the subsidiary company and the related information shall be made available to the shareholders of the Company upon receipt of a request from them. The same is also kept open for inspection at the Registered Office of the Company as well as its subsidiary.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared in order to comply, in all material respects, with the accounting standards notified under section 211(3C) of the Companies Act 1956, which continue to be applicable in respect of section 133 Companies Act 2013 along with the provisions of the Listing Agreement with the Stock Exchanges. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated net profit of the Company and its subsidiary amounted to Rs.114.48 crores for the financial year ended 31st March 2014.

AWARDS

The Company's Units secured many Awards during the year in Mines Safety, Mines Environment & Mineral Conservation and Quality Circles.

The Alathiyur unit has been awarded as an Excellent Energy Efficient Unit with a shield and certificate of merit by Confederation of Indian Industry. This is the 10th time, the unit is getting such an award.

The Alathiyur Unit had won the following awards at the 13th International Seminar conducted by National Council for Cement and Building Materials:

- * Best Improvement in Energy Performance in Manufacture of Blended Cements for 2011-12.
- * Second Best Environmental Excellence in Plant Operation for 2011-12.
- * Best Environmental Excellence in Limestone Mines for 2011-12.
- * Second Best Environmental Excellence in Limestone Mines for 2012-13.

DIRECTORS

We regret to report the sad demise of Dr.A.Ramakrishna on 20-08-2013. The Directors place on record Dr.A.Ramakrishna's valuable and constructive contribution in the Board and Committee Meetings during his association of 8 years with the Company.

At the Board Meeting held on 23rd October 2013, Shri.M.M.Venkatachalam has been co-opted as an Additional Director and will hold the office till the date of the forthcoming Annual General Meeting. A Notice in writing has been received from a Member signifying his intention to propose the appointment of Shri.M.M.Venkatachalam as a Director at the Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri.M.B.N.Rao retires by rotation and is eligible for re-election.



In accordance with Clause 49 of the Listing Agreement, $\frac{1}{2}$ of the total number of Directors should be Independent Directors. Accordingly, Members' approval is being sought to have the following as Independent Directors.

1. Shri.R.S.Agarwal
2. Shri.M.B.N.Rao
3. Shri.M.M.Venkatachalam

PUBLIC DEPOSITS

The total deposits from the public outstanding with the Company as on 31st March 2014 were Rs.1.74 crores including the deposits renewed in accordance with Section 58A of the Companies Act, 1956. This also includes 29 deposits aggregating to Rs.7.71 lakhs which had fallen due for payment on or before 31-03-2014 but not claimed by the depositors. Reminders have been sent to these depositors for disposal instructions. On the date of this report, Rs.2.25 lakhs thereof have been claimed and refunded/renewed in respect of 7 depositors.

Section 74 of the Companies Act, 2013 has provided an option to repay the existing deposits accepted on or before 31-03-2014. The Company has decided not to accept fresh deposits from 01-04-2014 and to repay all the existing deposits by complying with the formalities required in this regard.

SHARES

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

AUDITORS

M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants, are Auditors of the Company.

Under Section 139 of the Companies Act, 2013, a listed Company can appoint an Audit Firm as Auditor for a maximum of 2 terms of 5 consecutive years. However, they are eligible for reappointment after a period of 5 years from the completion of such term. Both the Auditors have completed the maximum threshold limit of 10 consecutive years. However, a period of 3 years is given for compliance of the new requirement. Since a period of 3 years is available to continue with the existing auditors, it is proposed to appoint them for the remaining eligibility period of 3 years.

COST AUDITOR

The Government has approved the Company's proposal to appoint M/s.Geeyes & Co., Cost Accountants, Chennai for audit of cost accounts of the Company relating to manufacture of Cement and generation of Electricity for the year ended 31-03-2014 on a remuneration of Rs.2,50,000/- exclusive of out-of-pocket expenses.

The Cost Audit Report for the financial year 2012-13 due to be filed with Ministry of Corporate Affairs by 27-09-2013, had been filed on 18-09-2013. The Cost Audit Report for the financial year 2013-14 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

Under Section 148 of the Companies Act, 2013, the Government is yet to notify the class of companies to which the Cost Audit is applicable. Based upon such notifications as and when issued, the Company will be taking steps for implementation.

CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on Corporate Governance followed by the Company together with a Certificate from the Statutory Auditors confirming compliance is set out in Annexure II to this Report.

THE RAMCO CEMENTS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that –

- * In the preparation of the annual accounts for the year ended 31st March 2014, the applicable accounting standards had been followed;
- * The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- * Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- * The Annual Accounts were prepared on a going concern basis.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

Chennai
22-05-2014

On behalf of the Board of Directors,
For THE RAMCO CEMENTS LIMITED,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director



ANNEXURE I TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.

A Conservation of Energy

(a) Energy conservation measures taken

Ramasamy Raja Nagar

Installation of Slip Power Recovery system (SPRS) in circulating air fan of Line 2 Raw Mill.

Optimisation of Line 2 Raw Mill.

Separate grinding of Coal and Petcoke in Coal Mill 1 and Coal Mill 2 respectively.

Replacements of existing bag filter with a high efficiency bag filter in Line 2 Coal mill.

Jayanthipuram

Optimisation of plant auxiliary equipments.

Alathiyur

Installation of Variable Frequency Drive (VFD) for Boiler 2 FD Fan.

Installation of Insulated Gate Bipolar Transistor (IGBT) based Slip Power Recovery system (SPRS) for Kiln 1 Preheater fan.

Ariyalur

Installation of Variable Frequency Drive (VFD) for Cement mill vent fan, Coal crusher, compressors (4 Nos) and in Thermal Power plant 1 Condensate extraction pump.

Optimisation of Line 1 and Line 2 pyro-process system.

Optimisation of Compressors in Thermal Power Plant

Optimisation of plant auxiliary equipments and services.

Mathodu

Installation of High efficiency kiln inlet seal.

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy

Ramasamy Raja Nagar

Installation of Variable Frequency Drive (VFD) for Kiln 1 Bag filter fan.

Installation of High efficiency fan for Raw Mill 1 venting.

Optimisation of Blowers and Compressors.

Installation of High efficiency Burners for Line 1 Kiln.

Jayanthipuram

Replacing the existing mill fan with a high efficiency fan in Line 1 Raw Mill.

Installation of Insulated Gate Bipolar Transistor (IGBT) based Slip Power Recovery system (SPRS) for Line 2 Preheater fan and Line 1 Coal Mill bag filter fan.

Alathiyur

Installation of High efficiency Burners for Line 2 Kiln.

Installation of Variable Frequency Drive (VFD) for Line 2 Reverse air Bag House fan.

THE RAMCO CEMENTS LIMITED

Installation of high efficiency outlet seal in Kiln 2.

Conducting Computational Fluid Dynamics (CFD) study in Cement Mill 1, Cement Mill 2 and Raw Mill 2 for reducing duct pressure drop.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Ramasamy Raja Nagar

Installation of Slip Power Recovery system in circulating air fan of Line 2 Raw mill resulted in power saving of 60 kW/hr.

Optimisation of Line 2 Raw mill resulted in reduction of specific power consumption by 1.0 unit per tonne of material.

Separate grinding of Coal and Petcoke in coal mills resulted in reduction of specific power consumption by 1.17 units per tonne of material.

Jayanthipuram

Optimisation of plant auxiliaries resulted in power saving of 100 kW/hr.

Alathiyur

Installation of Variable frequency drive (VFD) for Boiler 2 FD fan and Induced Gate Bipolar Transistor (IGBT) based Slip Power Recovery system (SPRS) for Kiln 1 Preheater fan resulted in power saving of 50 kW/hr and 150 kw/hr respectively.

Ariyalur

Installation of Variable Frequency drive (VFD) resulted in overall power saving of 200 kW/hr.

Optimisation of Line 1 and Line 2 Pyro-process resulted in power saving of 0.5 unit per tonne of clinker.

Compressor optimisation in Thermal Power Plant 1 resulted in power saving of 100 kW/hr.

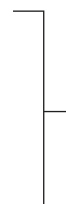
Optimisation of Plant auxiliaries and Services helped to conserve electrical energy by 140 kW/hr.

(d) Particulars relating to total energy consumption per unit of production are given in FORM A.

B Technology Absorption

(e) Particulars relating to efforts made in Technology Absorption are given in FORM B.

C Foreign Exchange Earnings and Outgo

<p>(f) (i) Activities relating to exports</p> <p>(ii) Initiatives taken to increase exports</p> <p>(iii) Development of new export markets for products and services</p> <p>(iv) Export plans</p>		<p>Our efforts in exploring new markets have fructified during the year. Cement was exported to Sri Lanka, Myanmar and Nepal and cement exports have increased from 0.84 lakh tonnes of the previous year to 2.25 lakh tonnes for the year 2013-14.</p>
<p>(g) (i) Total Foreign Exchange used (including Capital Goods)</p> <p>(ii) Total Foreign Exchange earned</p>		<p>Rs.549.64 crores</p> <p>Rs.83.67 crores</p>



FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption

	2013-14	2012-13
1. Electricity		
(a) Purchased		
Unit (Lac KWH)	746.73	865.18
Total amount (Rs.in Lacs)	5612.15	5788.57
Rate per Unit (Rs.)	7.52	6.69
(b) Own Generation		
(i) Through HFO Based Generator		
Unit (Lac KWH)	50.46	120.00
Unit per litre of HFO (KWH)	3.47	3.46
Cost per Unit (Rs.)	14.83	13.09
(ii) Through Thermal generator		
Unit (Lac KWH)	6095.86	5752.99
Units per kg.of fuel (KWH)	1.00	1.09
Cost per Unit (Rs.)	4.35	4.70
2. Coal / Pet coke / Others		
Quantity (Lac tonnes)	7.79	7.19
Total cost (Rs.in Lacs)	51373.82	48238.43
Average rate (Rs.)	6593.03	6705.25
3. Furnace Oil		
Quantity (Lac litres)	11.89	25.92
Total cost (Rs.in Lacs)	475.30	1069.01
Average rate (Rs.)	39.97	41.23
4. Others - Diesel Oil		
Quantity (Lac litres)	7.39	15.70
Total cost (Rs.in Lacs)	431.74	723.19
Average rate (Rs.)	58.39	46.07

B. Consumption per unit of production

Product : Cement

Unit : Tonne

	Standard		
Electricity (KWH per tonne of cement)	95	80.24	79.50
Coal (percentage of clinker)	16	11.92	11.38

THE RAMCO CEMENTS LIMITED

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D carried out by the company

- a) Evaluation of exploration samples of limestone for its suitability for manufacturing cement clinker
- b) Evaluation of various materials from different units for their suitability as additive raw materials
- c) Formulation and development of masonry cement
- d) Development of cost effective, durable raw mix designs for manufacture of cement clinker
- e) Studies on suitability of fly ash from various sources

2. Benefits derived as a result of above R & D

- a) New types of cement formulated are being tested
- b) Standardisation of quality across units
- c) Data generation for estimation of limestone reserves

3. Future plan of action

- a) Study of reject limestone powder from beneficiation plant at Alathiyur to develop
 - i) light weight concrete
 - ii) low cost plastering compounds
- b) Preparation of reference standard samples of different raw materials, clinker and different types of cement

4. Expenditure on R & D

	Rs. in crores
a. Capital	0.40
b. Recurring	10.94
c. Total	11.34
d. Total R & D expenditure as percentage of total income	0.32

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation Not applicable
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. Not applicable



ANNEXURE II TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, The Ramco Cements Limited is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stake holders of the Company viz., shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous upgradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction.

The Company lays great emphasis on team building and motivation. A contented and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organisation.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organisation grows, the society and the community around it should also grow.

2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman and Managing Director, Shri.P.R.Ramasubrahmaneya Rajha. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Engineering, etc. The Board has 6 Directors out of which 5 Directors are Non-Executive. As required by the Code of Corporate Governance, 50% of the Board of Directors consists of Independent Directors. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

During the year under review, four Board Meetings were held, one each on 30-05-2013, 29-07-2013, 23-10-2013 and 12-02-2014.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No	Name of the Director	Directorship	No. of Board Meetings attended	% of Meetings attended during the year
1.	Shri.P.R.Ramasubrahmaneya Rajha	CMD	4	100
2.	Shri.Harmander Singh	ND	-	—
3.	Shri.P.R.Venketrama Raja	PD	3	75
4.	Dr.A.Ramakrishna *	ID	2	50
5.	Shri.R.S.Agarwal	ID	4	100
6.	Shri.M.B.N.Rao	ID	3	75
7.	Shri.M.M.Venkatachalam **	ID	2	50

CMD – Chairman & Managing Director;

ND – Nominee Director;

ID – Independent Director;

PD – Promoter Director.

* Dr.A.Ramakrishna expired on 20-08-2013.

** Shri.M.M.Venkatachalam became a Director on 23-10-2013.

THE RAMCO CEMENTS LIMITED

The previous Annual General Meeting of the Company was held on 29th July 2013 at Rajapalayam. The following Directors attended the Annual General Meeting:

Sl.No.	Name of the Director
1.	Shri.P.R.Ramasubrahmaneya Rajha, CMD
2.	Shri.P.R.Venketrama Raja
3.	Dr.A.Ramakrishna
4.	Shri.R.S.Agarwal
5.	Shri.M.B.N.Rao

3. CODE OF CONDUCT

The Board has laid down the Code of Conduct for the Board Members and Senior Management Personnel of the Company. The Code of Conduct is given below:-

A) FOR DIRECTORS

A Director being a Trustee of the Shareholders shall –

- i. Act always in the best interest of the Shareholders.
- ii. Maintain a high standard of probity in his relations with the Company, its subsidiaries, employees, contractors, suppliers and customers.
- iii. Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- iv. Conduct himself in a manner that befits his position.
- v. Assist the Company to observe the provisions of the Company law and other laws applicable to the Company, both in letter and in its spirits.
- vi. Not use this position in any manner to his personal advantage or that of his family or friends.

B) FOR SENIOR MANAGEMENT PERSONNEL

A Senior Management person is one who occupies the rank of General Manager or above and notified from time to time as a Senior Management person.

A Senior Management personnel shall –

- i. By his personal behaviour and conduct, set an example to his fellow employees.
- ii. Conduct himself in a manner that upholds his integrity, rectitude and fair name of the Company and give no occasion to the Management to explain his actions or behaviours.
- iii. Refrain from using his position for personal benefit from the employees, contractors, suppliers and customers of the Company.
- iv. Maintain the confidentiality of the Company's information that has come to his notice, except where disclosure is authorised in writing by the Management.
- v. Observe all prescribed safety and environmental related norms.
- vi. Not divulge to any member of the press or media any matter concerning the company unless authorised by the Management.



- vii. Not engage himself in any business relationship or commercial activity with or without remuneration, without the prior written permission of the Management.

The Code of Conduct has also been posted on the Company's website www.ramcocements.in

4. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters in detail and to monitor the activities falling within the terms of reference. The Board Committees are as follows:

a) AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- iv) To generally assist the Board to discharge their functions more effectively.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by the Code of Corporate Governance and Companies Act from time to time.

Composition:

The Audit Committee consists of the following Directors:

Sl.No.	Name of the Director	No. of Meetings attended
1.	Shri.R.S.Agarwal, Chairman of the Committee	4
2.	Shri.P.R.Venketrama Raja	4
3.	Dr.A.Ramakrishna (upto 20-08-2013)	2
4.	Shri.M.M.Venkatachalam (from 23-10-2013)	1

No. of Meetings held during the year : 4

Date of the meetings : 28-05-2013, 28-07-2013, 20-10-2013 & 11-02-2014.

The Statutory Auditors, Chief Executive Officer, Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

2/3rd of the members of the Audit Committee are Independent Directors as required by the Code of Corporate Governance.

b) PROJECT MANAGEMENT COMMITTEE

Sl.No.	Name of the Director
1.	Shri.P.R.Ramasubrahmaneya Rajha, CMD
2.	Shri.P.R.Venketrama Raja
3.	Dr.A.Ramakrishna (upto 20-08-2013)

No. of Meetings held during the year : NIL

THE RAMCO CEMENTS LIMITED

c) REMUNERATION COMMITTEE

(Renamed as NOMINATION AND REMUNERATION COMMITTEE on 22-05-2014)

Sl.No.	Name of the Director
1.	Shri.R.S.Agarwal, Chairman of the Committee
2.	Dr.A.Ramakrishna (upto 20-08-2013)
3.	Shri.M.M.Venkatachalam (from 23-10-2013)

No. of Meetings held during the year : 1

Date of the meeting : 28-05-2013

d) INVESTORS GRIEVANCE COMMITTEE

(Renamed as STAKEHOLDERS RELATIONSHIP COMMITTEE on 22-05-2014)

Sl.No.	Name of the Director
1.	Shri.P.R.Ramasubrahmaneya Rajha, CMD
2.	Shri.P.R.Venketrama Raja

No. of meetings held during the year : 1

Date of the meeting : 31-03-2014

No. of complaints received and redressed during the year : 1

e) SHARE/DEBENTURE COMMITTEE

Sl.No.	Name of the Director
1.	Shri.P.R.Ramasubrahmaneya Rajha, CMD
2.	Shri.P.R.Venketrama Raja

During the year under review, 9 meetings were held to consider transfer and transmission of Shares and Debenture matters.

The above Committees meet as and when necessity arises.

5. BOARD PROCEDURE

The details about performance of the various Units of the Company, financial position, legal action, quarterly results, market environment and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information complies with the requirements of the Code of Corporate Governance with regard to the information to be placed before the Board of Directors.

No Director is a Member in more than 10 Committees or acts as Chairman of more than 5 Committees of Companies in which he is a Director. Every Director informs the Company about the position he occupies in other Companies and notifies the changes as and when they take place.

6. REMUNERATION OF DIRECTORS

Remuneration to Shri.P.R.Ramasubrahmaneya Rajha, Chairman & Managing Director for the year 2013-14 is Rs.8.12 crores comprising, Salary of Rs.0.24 crores, Benefits of Rs.0.08 crores and Commission of Rs.7.80 crores.



The non-executive Directors do not draw any remuneration from the Company except Sitting Fee which were paid @ Rs.20,000/- for each meeting of the Board / Committees of the Board attended by them. No Sitting Fee is payable for attending the Meetings of the Share/Debenture Committee.

7. DISCLOSURE OF SHAREHOLDINGS OF NON-EXECUTIVE DIRECTORS

Following are the details of shareholdings of the non-executive directors in the Company as on 31-03-2014

Name of the Director	No. of Shares
Shri.Harmander Singh, I.A.S.,	—
Shri.P.R.Venketrama Raja	10,00,000
Shri.R.S.Agarwal	—
Shri.M.B.N.Rao	—
Shri.M.M.Venkatachalam	—

8. MANAGEMENT

The matters that are required to be discussed under Management Discussion and Analysis report have been included in the Directors' Report to the shareholders. Whenever commercial and financial transactions have been entered with Companies in which Directors are interested, the nature of interest is being disclosed to the Board of Directors.

9. SHAREHOLDERS

For appointment/re-appointment of Directors, shareholders are being provided with information at the Annual General Meeting about the Directors, their expertise and Companies in which they are interested. The information are also included in the Notice calling the Annual General Meeting.

AUDITORS' CERTIFICATE

This is to certify that we, the Auditors of M/s.The Ramco Cements Limited, Rajapalayam, have reviewed the compliance by the Company of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges and report that all the conditions contained therein have been complied with by the Company.

For M.S.JAGANNATHAN & N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

P.SANTHANAM
Partner
Membership No.:018697

CHENNAI
22-05-2014

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S

C.N.GANGADARAN
Partner
Membership No.:11205

THE RAMCO CEMENTS LIMITED

SHAREHOLDER INFORMATION

Registered Office

'Ramamandiram'
Rajapalayam – 626 117
Tamil Nadu.

Corporate Office

Auras Corporate Centre, V Floor
98-A, Dr.Radhakrishnan Road
Chennai – 600 004, Tamil Nadu.

Cement Division

Cement Plants

Ramasamy Raja Nagar – 626 204
Virudhunagar District, Tamil Nadu.

Alathiyur, Cement Nagar – 621 730
Ariyalur District, Tamil Nadu

Govindapuram Village – 621 713
Ariyalur District, Tamil Nadu

Jayanthipuram
Kumarasamyraja Nagar – 521 457
Krishna District, Andhra Pradesh.

Mathodu – 577 533, Hosadurga
Chitradurga District, Karnataka.

Grinding Plants

Kattuputhur Village, Uthiramerur
Kancheepuram District – 603 107
Tamil Nadu.

Singhipuram Village, Valapady
Salem District – 636 115
Tamil Nadu.

Kolaghat – 721 134
Purba Medinipur District
West Bengal.

Packing Plants

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

Pochampally Road
Malkapur–508 252
Nalgonda District, Andhra Pradesh.

Readymix Concrete Plant

Medavakkam-Mambakkam Road
Vengaivasal, Chennai – 601 302
Tamil Nadu.

Dry Mortar Plant

F-14, SIPCOT Industrial Park
Sriperumbudur – 602 106
Kancheepuram District, Tamil Nadu.

Ramco Research & Development Centre

11-A, Okkiyam, Thuraipakkam
Chennai – 600 096, Tamil Nadu.

Wind Farm Division

- Muppandal, Poolavadi, Thandayarkulam,
Veeranam, Muthunaickenpatti, Pushpathur and
Udumalpet in Tamil Nadu.
- Vani Vilas Sagar and GIM II Hills in Karnataka.

Person to be contacted for shareholder enquiries

K.SELVANAYAGAM
Secretary (Compliance Officer)
The Ramco Cements Limited
Auras Corporate Centre, V Floor
98-A, Dr.Radhakrishnan Road
Mylapore, Chennai – 600 004, Tamil Nadu
Phone: 28478666 Fax: 28478676
E Mail : ksn@ramcocements.co.in

Share Transfer Documents are to be sent to the above address. The Share Transfer matters are being handled in-house.

Listing on Stock Exchanges

The Company's shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for which Listing Fees for the year 2014-15 has been paid. The Company's application for de-listing from Calcutta Stock Exchange is under process.

Stock Code

Name of the Stock Exchange	Code
Madras Stock Exchange	– MCM
Bombay Stock Exchange	– 500260
National Stock Exchange	– RAMCOCEM



GENERAL MEETINGS

The last 3 Annual General Meetings were held as under:

Year ended	Date	Time	Venue
31-03-2011	10-08-2011	10.15 AM	P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam – 626 108, Tamil Nadu.
31-03-2012	02-08-2012	10.15 AM	-do-
31-03-2013	29-07-2013	11.00 AM	-do-

No resolution on matters requiring postal ballot as per Section 192A of the Companies Act, 1956 were passed during the year.

Ensuing Annual General Meeting

Date	Time	Venue
28-07-2014	10.15 AM	P.A.C.R.Centenary Community Hall, Sudarsan Gardens P.A.C.Ramasamy Raja Salai, Rajapalayam – 626 108, Tamil Nadu

FINANCIAL CALENDAR

(For the Financial year April 2013 to March 2014)

Board Meeting for consideration of Accounts and recommendation of dividend	22-05-2014
Posting of Annual Report	On or before 28-06-2014
Book Closure date	22-07-2014 to 28-07-2014 (both days inclusive)
Last date for receipt of Proxy form	Before 10.15 AM on Saturday, the 26 th July 2014
Date of the 56 th AGM	28-07-2014
Dividend Payment date	Date of the AGM

MEANS OF COMMUNICATION

The Unaudited Quarterly and Half yearly Financial results and Audited Annual Results are published in English in Business Line (All editions), The New Indian Express and Trinity Mirror (Chennai editions) and in Tamil in Dinamani and Makkal Kural (Chennai editions). The results were also displayed on the Company's website www.ramcocements.in

All the financial results are provided to the Stock Exchanges.

Official News releases are given directly to the Press.

The Ratings given by ICRA for the Company's Debt instruments are as under:

Security	Rating
Commercial Papers / Short Term Debt	A1+
Cash Credit Facilities	LA+
Non-Fund Based Facilities	
* Short Term	A1+
* Long Term	LA+
Long Term Loans	LA+

THE RAMCO CEMENTS LIMITED

DEPOSITORY SYSTEM

The Company's shares have been mandated for trading in dematerialized form by all categories of investors with effect from 17-01-2000. The Company's shares are available for dematerialisation both under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The Company is having in-house facilities for the Depository Registrar Services relating to both NSDL and CDSL. As on 31st March 2014, 93.48% of the shares have been dematerialized.

In view of the advantages offered by the Depository System, members who have not yet dematerialised their shares are requested to avail the facility of dematerialization of the shares. They have the choice to open account with Depository Participants of either of the Depositories by quoting the Company's ISIN No.INE331A01037.

SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that:

- i) all instructions regarding bank details which they wish to be incorporated in their dividend warrants will have to be submitted to their Depository Participants. As per the Regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company;
- ii) instructions already given by them in respect of shares held in physical form will not be applicable to the dividend paid on shares held in electronic form and the Company will not entertain any request for deletion/change of bank details already printed on dividend warrants contrary to the information received from the concerned Depositories;
- iii) all instructions regarding change of address, nomination, power of attorney etc. should be given directly to their Depository Participants and the Company will not entertain any such requests directly from shareholders.

REDRESSAL OF GRIEVANCES

There are no pending Share or Debenture transfers as on 31-03-2014.

Complaints from shareholders with regard to Non-receipt of Certificates after transfer, Non-receipt of dividend, Non-receipt of Annual Reports, etc. are being acted upon by the Company immediately on receipt.

Any shareholder who is having grievance may kindly e-mail to investorgrievance@ramcocements.co.in

DISCLOSURES

- i) The Company has no related party transactions that may have potential conflict with the interests of the Company at large. The Audit Committee reviews the details of the significant related party transactions. A summary of the significant related party transactions have been disclosed under "Disclosures forming part of Financial Statements".
- ii) There has been no penalty/stricture imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

CORPORATE SOCIAL RESPONSIBILITY

The Company's total expenditure towards Corporate Social Responsibility (CSR) for various charitable causes, including for renovation of temples and for social developments amounted to Rs.16.84 crores. Out of the above expenditure, Rs.12.08 crores has been donated to Raja Charity Trust for establishing an Engineering College.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2014.

for THE RAMCO CEMENTS LIMITED,

P R RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

Chennai
22-05-2014

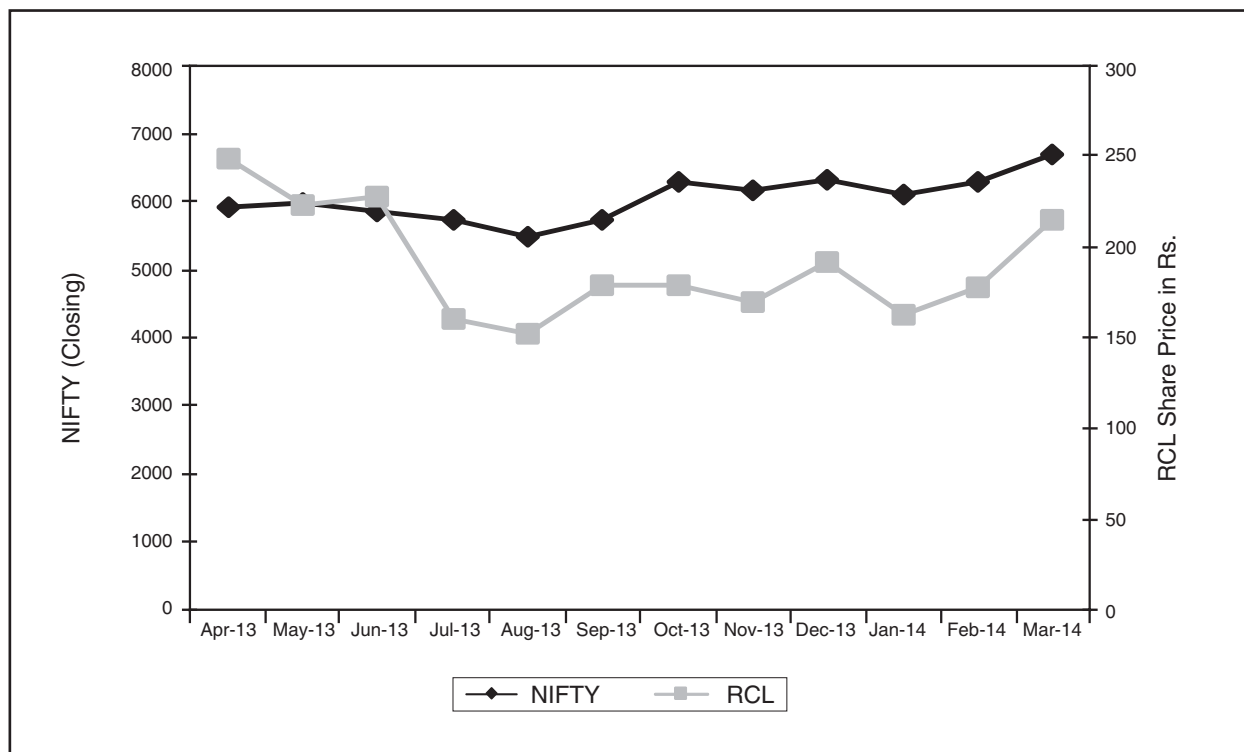


STATISTICAL DATA

Share Price High & Low / Volume (from April 2013 to March 2014 in NSE & BSE)

Month	National Stock Exchange			Bombay Stock Exchange		
	High Rs.	Low Rs.	No. of Shares Traded	High Rs.	Low Rs.	No. of Shares Traded
April 2013	257	226	30,05,330	255	225	1,24,810
May	261	221	59,93,455	263	221	1,65,724
June	253	207	38,11,517	253	206	2,45,180
July	226	159	57,15,828	226	160	1,30,731
August	178	135	28,62,291	177	136	2,10,303
September	190	152	17,81,885	190	142	2,30,150
October	190	164	63,33,287	190	164	2,09,064
November	181	157	12,81,294	190	158	1,77,423
December	198	167	31,91,918	197	165	2,46,746
January 2014	194	159	14,71,791	193	160	1,98,353
February	182	156	15,59,557	185	156	1,15,963
March	225	173	45,12,954	226	168	3,67,430
Year 2013-14	261	135	4,15,21,107	263	136	24,21,877

RCL Share Price Movement



THE RAMCO CEMENTS LIMITED

Pattern of Shareholding as on 31-03-2014

Description	Total Shareholders	%	Total Shares	%
Promoters Holding				
1) Promoters	14	0.07	10,07,03,560	42.32
Sub-Total	14	0.07	10,07,03,560	42.32
Non-Promoters Holding				
1) Mutual Funds	62	0.32	2,30,68,800	9.69
2) Banks, FI's, Ins.Cos., Govt.Institutions	13	0.07	2,01,06,831	8.45
3) Foreign Institutional Investors	88	0.45	4,45,81,469	18.73
4) Non-Resident Indians	347	1.79	3,81,257	0.16
5) Indian Companies	409	2.10	64,22,060	2.70
6) Residents	18,498	95.20	4,27,05,403	17.95
Sub-Total	19,417	99.93	13,72,65,820	57.68
Total	19,431	100.00	23,79,69,380	100.00

Distribution of Shareholding as on 31-03-2014

Description	Total Shareholders	%	Total Shares	%
Upto - 500	14,523	74.74	16,70,143	0.70
501 to 1000	1,480	7.62	12,70,886	0.53
1001 to 2000	1,044	5.37	18,11,874	0.76
2001 to 3000	324	1.67	8,67,698	0.36
3001 to 4000	600	3.09	23,36,978	0.98
4001 to 5000	150	0.77	7,14,888	0.30
5001 to 10000	602	3.10	46,30,011	1.95
10001 & above	708	3.64	22,46,66,902	94.42
Total	19,431	100.00	23,79,69,380	100.00

Category of Shareholding as on 31-03-2014

Description	Total Shareholders	%	Total Shares	%
Dematerialised Form		—		—
CDSL	4,810	24.75	1,22,70,350	5.16
NSDL	13,748	70.75	21,01,67,960	88.32
Physical Form	873	4.50	1,55,31,070	6.52
Total	19,431	100.00	23,79,69,380	100.00



INDEPENDENT AUDITORS' REPORT

To the Members of M/s The Ramco Cements Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. The Ramco Cements Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No 28.13 regarding imposing of penalty of Rs 258.63 Crores on the company by the Competition Commission of India for alleged cartelisation with select cement Manufacturers. The Company has filed an appeal against the order before Competition Appellate Tribunal. Based on the legal opinion, the company has not considered any provision as necessary. Our opinion is not qualified in respect of this matter.

THE RAMCO CEMENTS LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - 2.1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 2.2. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 2.3. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - 2.4. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular No 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013; and
 - 2.5. on the basis of written representations received from the Directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No.: 001208S

P. SANTHANAM
Partner
Membership No.: 018697

Chennai
22nd May, 2014

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No.: 004915S

C.N GANGADARAN
Partner
Membership No.: 011205



ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in item no. 1 of paragraph 'Report on Other Legal and Regulatory Requirements'.

In our opinion and to the best of knowledge and belief as per the information and explanation given to us and on the basis of the books and records examined by us in the normal course of audit, we report that:

1. Fixed assets

- 1.1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1.2. The management at reasonable intervals has physically verified the fixed assets of the company and no material discrepancies were noticed on such verification.
- 1.3. The fixed assets disposed during the year were not substantial and therefore, do not affect the going concern assumption.

2. Inventories

- 2.1. The management has conducted physical verification at reasonable intervals in respect of its inventory.
- 2.2. The procedure for physical verification of inventory followed by the management is reasonable and is adequate in relation to the size of the company and the nature of its business.
- 2.3. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. Loans and advances

- 3.1. The company has granted loans aggregating to Rs.219.00 crores (PY: Rs.162.00 crores) during the year to 1 party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was Rs. 51.00 crores (PY: Rs.68.25 crores) and the amount outstanding as on 31st March 2014 was Nil (PY: Rs.13.75 crores).
- 3.2. The rate of interest and other terms and conditions of loans given by the company referred to paragraph 3.1 above are not, prima facie, prejudicial to the interest of the company.
- 3.3. The payment of the principal amounts and the interest wherever applicable are regular.
- 3.4. The loans granted were repaid during the year. There is no overdue amount with respect to above loans.
- 3.5. The company has taken loans aggregating to Rs.10.18 crores (PY: Rs. 24.27 crores) from 1 party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was Rs.14.38 crores (PY: Rs.10.88 crores) and the outstanding as on 31st March 2014 was Rs.8.84 crores (PY: Rs 8.90 crores).
- 3.6. The rate of interest and other terms and conditions of loan taken by the company are not, prima facie, prejudicial to the interest of the company.
- 3.7. The loans given/taken by the company are repayable on demand and have been received/paid on demand.
4. The company has an internal control system which is adequate and is commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in internal controls system during the course of the audit.

5. Section 301 contracts

- 5.1. Particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.

THE RAMCO CEMENTS LIMITED

- 5.2. The transactions made in pursuance of contracts and arrangements referred to in 5.1 above and exceeding value of Rs. 0.05 crores have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable have been complied with.
7. The company has an internal audit system commensurate with its size and nature of its business.
8. The cost accounts and the records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 have been made and maintained.
9. Statutory dues
- 9.1. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.

According to the information and explanation to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than 6 months from the date they became payable.

- 9.2. The disputed statutory dues aggregating to Rs 349.50 crores (PY Rs. 251.53 crores) that have not been deposited on account of matters pending before appropriate authorities are as under:

SI No	Name of the statute	Forum where dispute is pending	Amount (Rs. in Crores)
1	Income Tax Act	High Court	13.21
2	Sales Tax Act	Assistant/ Deputy Commissioner, Appeals	0.88
		Assessing Authority	2.30
		Appellate Tribunal	0.31
		High Court	0.56
3	CST Act	Assistant/ Deputy Commissioner, Appeals	0.05
		Assessing Authority	0.09
		High Court	0.25
4	VAT Act	Assistant/ Deputy Commissioner, Appeals	28.77
5	Central Excise Act & Cenvat Credit Rules	Asst./Deputy/Additional Commissioner	185.21
		Commissioner, Appeals	1.29
		Appellate Tribunal	75.58
		High Court	1.86
		Supreme Court	8.54
6	Customs Act	High Court	30.60
Total			349.50



10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to financial institutions, banks or debentures holders during the year.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. Based on information and explanations given to us, the terms and conditions of the guarantee given by the Company to related parties ([Ramco Systems Limited – Guarantee given Rs.325.00 crores (PY Rs.233.00 crores); Loans outstanding Rs.325.00 crores (PY Rs.233.00 crores)]; [Sandhya Spinning Mills Limited – Guarantee given Rs.59.38 crores (PY Rs.59.38 crores); Loans outstanding Rs.17.02 crores (PY Rs.26.32 crores)], [Thanjavur Spinning Mills Limited – Guarantee given Rs.83.00 Crores (PY Rs.58.00 crores); Loans outstanding Rs.66.71 Crores (PY Rs.41.29 crores)]; [Raja Charity Trust - Guarantee given Rs.100.00 crores (PY NIL); Loans outstanding Rs.28.00 crores (PY NIL)]; to secure loans availed from banks by the respective companies, are not prejudicial to the interests of the Company.
16. The Company has raised term loans during the year and these have been applied for the purposes for which they were raised.
17. The funds raised on short-term basis have not been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has no outstanding amount under Debentures that require creation of security/charge during the year.
20. The company has not raised any money by way of public issues during the year.
21. No material fraud on or by the company has been noticed or reported during the course of our audit.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No.: 001208S

P.SANTHANAM
Partner
Membership No.: 018697

Chennai
22nd May, 2014

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No.: 004915S

C.N GANGADARAN
Partner
Membership No.: 011205

THE RAMCO CEMENTS LIMITED

BALANCE SHEET AS AT 31st MARCH 2014

		(Rs. in Crores)	
		As at 31-03-2014	As at 31-03-2013
EQUITY & LIABILITIES	Notes		
Shareholders' Funds			
Share Capital	3	23.80	23.80
Reserves and Surplus	4	2,458.28	2,346.96
		<u>2,482.08</u>	<u>2,370.76</u>
Non-current Liabilities			
Long Term Borrowings	5	1,520.35	1,393.06
Deferred Tax Liabilities (net)	6	737.37	716.36
Other Long Term Liabilities	7	383.47	338.42
Long Term Provisions	8	40.61	40.38
		<u>2,681.80</u>	<u>2,488.22</u>
Current Liabilities			
Short Term Borrowings	9	723.62	588.08
Trade Payables		187.66	143.08
Other Current Liabilities	10	729.18	734.35
Short Term Provisions	11	64.22	146.89
		<u>1,704.68</u>	<u>1,612.40</u>
Total		<u><u>6,868.56</u></u>	<u><u>6,471.38</u></u>
ASSETS			
Non-current Assets			
Fixed Assets	12		
Tangible Assets		4,521.91	4,513.40
Intangible Assets		119.16	80.15
Capital Work-in-Progress		349.52	147.96
Intangible Assets under Development		4.72	9.04
Non-current Investments	13	283.41	265.77
Long term Loans and Advances	14	338.68	214.65
Other Non-current Assets	15	1.62	1.49
		<u>5,619.02</u>	<u>5,232.46</u>
Current Assets			
Inventories	16	685.53	594.75
Trade Receivables	17	303.96	301.43
Cash and Bank Balances	18	44.61	53.96
Short Term Loans and Advances	19	206.59	278.58
Other Current Assets	20	8.85	10.20
		<u>1,249.54</u>	<u>1,238.92</u>
Total		<u><u>6,868.56</u></u>	<u><u>6,471.38</u></u>

See accompanying notes to the financial statements

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S
C.N.GANGADARAN
Partner
Membership No. 11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

P.R.VENKETRAMA RAJA
R.S.AGARWAL
M.B.N.RAO
M.M.VENKATACHALAM
Directors

Chennai
22-05-2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(Rs. in Crores)

	Notes	2013-14	2012-13
REVENUE			
Revenue from Operations	21	3,683.51	3,830.80
Other Income	22	85.72	41.86
Total Revenue		3,769.23	3,872.66
EXPENSES			
Cost of Materials Consumed	23	669.86	575.27
Changes in Inventories of Finished Goods and Work-in-progress	24	19.80	(45.33)
Employee Benefit Expenses	25	221.83	195.71
Finance Costs	26	188.13	178.51
Depreciation and Amortization Expenses	12 & 13	306.29	280.58
Other Expenses	27	2,208.98	2,099.71
Total Expenses		3,614.89	3,284.45
Profit Before Tax		154.34	588.21
Tax Expenses			
Current Tax		32.30	117.38
MAT Credit Recognition for Current year		(22.03)	-
MAT Credit Recognition for Previous year		(14.64)	-
Net Current tax expenses / (benefit)		(4.37)	117.38
Deferred Tax		21.01	67.18
Total Tax Expenses		16.64	184.56
Profit for the year		137.70	403.65
Earnings Per equity share of face value of Re.1 each	46		
Basic and Diluted in Rupees		6	17
See accompanying notes to the financial statements			

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

Chennai
22-05-2014

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Secretary

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R.S.AGARWAL
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Directors

THE RAMCO CEMENTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

		(Rs. in Crores)	
		2013-14	2012-13
Cash flow from operating activities			
Net profit, before tax and extraordinary items		154.34	588.21
Adjustments for:			
(Profit)/Loss on sale of assets		(22.44)	1.39
Loss on sale of investments		0.01	0.00
Depreciation		306.29	280.58
Impairment Loss on assets		0.54	0.00
Dividend Received & Re-invested		(0.01)	(0.02)
Provision for Leave Encashment		2.29	1.61
Amortised Premium on Forward Contract		7.10	2.56
Interest & Dividend received		(7.02)	(9.26)
Rent Receipt		(7.29)	(7.25)
Interest paid		178.06	164.54
Reversal of Provision for diminution in value of investment		(0.03)	0.01
Exchange Difference on Forex Transactions		2.97	11.41
Amortisation of Intangible Assets		9.58	10.18
Operating profit before working capital changes		624.39	1,043.96
Adjustments for:			
Trade and other receivables		(93.78)	(194.51)
Earmarked Balances with Banks		(0.23)	23.60
Inventories		(90.78)	(103.66)
Trade payables		76.24	46.83
Cash generated from operations		515.84	816.22
Direct Taxes paid		(37.73)	(114.82)
Net cash from operating activities	A	478.11	701.40
Cash flow from investing activities			
Purchase of fixed assets		(569.88)	(401.94)
Sale of fixed assets		32.00	2.65
Interest & Dividend received		7.02	9.26
Purchase of Investments		(18.96)	0.00
Rent Receipt from investment property		7.29	7.25
Sale of Investments		0.50	0.00
Capital Subsidy Received		1.50	0.00
Net cash used in investing activities	B	(540.53)	(382.78)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

(Rs. in Crores)

		2013-14	2012-13
Cash flow from financing activities			
Proceeds from long term borrowings		841.50	600.00
Proceeds from short term borrowings		2,169.75	3,422.74
Repayment of long term borrowings		(715.29)	(618.25)
Repayment of short term borrowings		(2,037.18)	(3,459.26)
Payment of dividend and tax thereon		(27.88)	(69.24)
Interest paid		(178.06)	(164.54)
Net cash from financing activities	C	<u>52.84</u>	<u>(288.55)</u>
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	<u>(9.58)</u>	<u>30.07</u>
Opening balance of cash and cash equivalents	D	49.68	19.61
Closing balance of cash and cash equivalents	E	40.10	49.68
Net increase / (decrease) in cash and cash equivalents	(E-D)	<u>(9.58)</u>	<u>30.07</u>
Earmarked Balances with Banks	F	4.51	4.28
Closing cash and Bank Balances	(E+F)	44.61	53.96

See accompanying notes to the financial statements

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

Chennai
22-05-2014

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Directors

THE RAMCO CEMENTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

1. Corporate Information

The Ramco Cements Limited, formerly known as Madras Cements Ltd, is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act. Its shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited, and National Stock Exchange of India Limited. The Company is engaged in manufacturing of Cement, Ready-mix concrete and Dry Mortar products. The company caters mainly to the domestic markets. The company is also engaged in sale of surplus electricity generated from its windmills and thermal power plants after meeting its captive requirements.

2. Significant Accounting Policies:

2.1 Basis of Preparation and Presentation of Financial Statements

- 2.1.1. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards notified under section 211(3C) of the Companies Act, 1956, which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable, as adopted consistently by the Company.
- 2.1.2 The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Crores with two decimals, except as stated otherwise.
- 2.1.3 The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- 2.1.4 The company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 2.1.5 The previous year figures are regrouped / restated wherever necessary.

2.2 Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

2.3 Tangible Fixed Assets

- 2.3.1. Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT / VAT wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- 2.3.2 The cost of lands acquired under lease, other than the cost of development and extraction of mineral rights, are amortised equally over the lease period and such amount is included in Depreciation.
- 2.3.3 Depreciation has been provided on straight-line basis at the rates specified as per Schedule XIV to the Companies Act, 1956, prevailing at the time of acquisition of the asset.



- 2.3.4 Gains or losses arising from disposal of fixed assets, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the statement of profit and loss.

2.4 Intangible Assets

- 2.4.1 The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- 2.4.2 Costs incurred to secure right to extract mineral reserves are capitalised. Since extractions of mineral reserves are excluded by the relevant accounting standard, amortisation does not arise.
- 2.4.3 Costs incurred for development and reclamation of mines are capitalised and amortised over the expected beneficial period, not exceeding five years. The amortised expenditure is included under "Cost of materials consumed."
- 2.4.4 Costs incurred for installation of fly ash handling equipments to secure right to extract fly ash in Thermal power stations which are expected to yield enduring benefits are capitalised and amortised over the expected beneficial period, not exceeding five years. The amortised expenditure is included under "Cost of materials consumed."
- 2.4.5 Costs incurred for establishing power transmission system for Tamil Nadu Electricity Board to secure right to use the said system to evacuate power from the company's thermal power plant which are expected to yield enduring benefits are capitalised and amortised over the expected beneficial period, not exceeding five years. The amortised expenditure is accounted under "Profit on Sale of Power from TPP."

2.5 Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

2.6 Investments

- 2.6.1 All investments being non-current and non-trade are valued at cost.
- 2.6.2 The carrying amount of long term investments is determined on an individual investment basis.
- 2.6.3 As at the balance sheet date, provision for diminution is made to recognise the decline other than temporary, in the value of investments. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is a rise in the value of investment other than temporary.

2.7 Investment Properties

- 2.7.1 An investment in land or buildings, which are not intended to be occupied substantially for use by, or in the operations of, the company, are classified as investment properties.
- 2.7.2 Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.
- 2.7.3 Depreciation on buildings under investment properties are calculated on straight-line basis using the rate prescribed under Schedule XIV to the Companies Act, 1956.
- 2.7.4 Gains or losses arising from disposal of investment properties, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the statement of profit and loss.

2.8 Inventories

- 2.8.1 Raw materials, Components, Stores & spares, coal, packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition or net realizable value whichever is lower.

THE RAMCO CEMENTS LIMITED

2.8.2 Process Stock is valued at weighted average cost, including the cost of conversion with systematic allocation of production and administration overheads.

2.8.3 Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition including excise duty.

2.9 Revenue Recognition

2.9.1 Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

2.9.2 Revenue from operations for sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. It excludes Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST, trade discounts, rebates and returns.

2.9.3 Industrial promotion assistance (IPA) is recognised when the company's right to receive the same is established with reasonable certainty.

2.9.4 Dividend income is recognised when the company's right to receive dividend is established.

2.9.5. Scrap sales does not include Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST.

2.9.6 Interest income and Rental income are recognised on time proportion basis.

2.9.7 Profit on sale of Power from TPP, arising out of sale of surplus electricity (generated from its thermal power plants) after meeting its captive requirements, is recognised net off expenses attributable to it.

2.9.8 Income from Wind Mills:

a. Under Power purchase agreement:

Units generated from windmills are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is included in Value of power generated from wind mills.

b. Under wheeling and banking arrangement:

The monetary value of the power generated at wind farms that are consumed at factories are not recognised as revenue because it is inter-divisional transfer.

2.10 Employee Benefits

2.10.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

2.10.2 Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the statement of profit and loss for the year in which the employees have rendered services.

2.10.3 The company contributes monthly to Employees' Provident Fund and Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary.

2.10.4 The company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto Rs.1 Lac per annum is remitted to "The Ramco Cements Limited Officers' Superannuation Fund" administered by trustees and managed by LIC of India. The balance amount, if any, is either remitted to National pension system (NPS) subject to applicable ceiling or paid as salary at the option of employees. There are no other obligations other than the above defined contribution plans.

2.10.5 The Company has its own Defined Benefit plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 day's basic salary for each completed year of service. Vesting occurs



upon completion of five years of continuous service. The company makes annual contributions to “The Ramco Cements Limited Employees’ Gratuity Fund” administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

- 2.10.6 The company has a policy of providing encashment of unavailed leave to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using projected unit credit method.

2.11 Provisions, Contingent Liabilities and Contingent Assets

- 2.11.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- 2.11.2 Unprovided contingent liabilities are disclosed in the financial statements. Contingent Assets are not recognised.

2.12 Research & Development Expenditure

Expenditure on Research & Development of revenue nature incurred by the Company is charged to statement of Profit & Loss under the respective revenue heads, while those of capital nature are treated as fixed assets, under the respective asset heads.

2.13 Borrowing Costs

- 2.13.1 Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of those assets.
- 2.13.2 All other borrowing costs are charged to revenue.

2.14 Foreign Currency Transactions

- 2.14.1 All transactions in foreign currency are initially recognised at the exchange rates prevailing on that date.
- 2.14.2 Monetary assets and liabilities in foreign currencies outstanding at the year end are translated at the rates prevailing on Balance sheet date and the resultant gains or losses are recognised during the year.
- 2.14.3 In respect of forward exchange contracts to hedge currency risks, the difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense amortized over the life of the contract.
- 2.14.4 The Exchange differences arising on such contracts as on Balance sheet date are recognised as income or expenses along with the exchange differences of the underlying assets and liabilities.

2.15 Earnings per Share

Net profit after tax is divided by the weighted average number of equity shares including unallotted Bonus shares outstanding during the year.

2.16 Government Grants

- 2.16.1 Revenue related grants are recognised on accrual basis wherever there is reasonable certainty and are disclosed under other operating income.
- 2.16.2 Receivables of such grants are shown under Loans and advances.
- 2.16.3 Capital related grant is accounted as “Capital Subsidy” under Reserves and Surplus upon fulfilment of conditions attached thereto and is not adjusted against Fixed Assets.

THE RAMCO CEMENTS LIMITED

2.17 Income Tax

- 2.17.1 The current tax liability is recognised at the applicable tax rates in accordance with the Income tax Act, 1961.
- 2.17.2 The deferred tax liability is recognised based on the accumulated timing difference using the tax rate that have been enacted or substantially enacted by the balance sheet date.
- 2.17.3 The deferred tax assets are recognised and reviewed at each balance sheet date, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- 2.17.4 Minimum Alternate Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal Income tax during the specified period. When the MAT credit becomes eligible to be recognised as an Asset viz., "MAT credit entitlement", the same is created by way of credit to the Statement of Profit and loss and shown as "MAT credit Recognition".
- 2.17.5 The company reviews the MAT credit at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the company will pay normal Income tax during the specified period.

2.18 Segment Reporting

- 2.18.1 The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- 2.18.2 The company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Cement and Power generation from Windmills.
- 2.18.3 Segments were identified considering the nature of the products, the differing risks and returns. The inter-segment transfers of units of power from windmills are recognised at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.
- 2.18.4 The company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.
- 2.18.5 Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general corporate income and expenses which are not allocated to any business segment.

2.19 Leases

- 2.19.1 Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognised as operating lease.
- 2.19.2 Operating lease receipts / payments are recognised in the statement of profit and loss on accrual basis as per the lease terms and other considerations.



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 3

SHARE CAPITAL

Authorised

25,00,00,000 Equity Shares of Rs.1/- each
(PY: 25,00,00,000 Equity Shares of Rs.1/- each)

As at
31-03-2014

25.00

As at
31-03-2013

25.00

Issued, Subscribed and Fully paid-up

23,79,69,380 Equity Shares of Rs.1/- each
(PY: 23,79,69,380 Equity Shares of Rs.1/- each)

23.80

23.80

Note: 3,41,000 bonus shares of Rs.1/- each (PY :3,41,000 bonus shares of Rs.1/- each) remain unallotted pending completion of required formalities.

Reconciliation of the number of shares outstanding:

Number of equity shares outstanding at the beginning of the year

23,79,69,380

23,79,69,380

Equity shares issued during the year

—

—

Equity shares bought back during the year

—

—

Number of Equity shares outstanding at the end of the year

23,79,69,380

23,79,69,380

Details of Shareholders holding more than 5 percent in the Company

No. of
Shares

% of
holding

No. of
Shares

% of
holding

Ramco Industries Limited

4,93,12,420

20.72

4,93,12,420

20.72

Rajapalayam Mills Limited

3,29,05,000

13.83

3,29,05,000

13.83

Aberdeen Global - Asian Smaller Companies Fund

1,42,94,113

6.01

81,33,825

3.42

Aggregate number of equity shares of Rs.1/- each allotted as fully paid up by way of Bonus Shares during the period of Five years immediately preceding the reporting date

11,89,84,690

Aggregate number of equity shares of Rs.1/- each bought back during the period of Five years immediately preceding the reporting date

43,000

THE RAMCO CEMENTS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

	(Rs. in Crores)	
	As at 31-03-2014	As at 31-03-2013
NOTE 4		
RESERVES AND SURPLUS:		
Capital Redemption Reserve	1.38	1.38
Capital Subsidy	1.50	—
General Reserve:		
Balance as per last financial statement	2,255.27	1,955.27
Add: Balance transferred from surplus balance in the statement of profit and loss	100.13	300.00
Closing Balance	2,355.40	2,255.27
Surplus/(Deficit) in the statement of profit and loss:		
Balance as per last financial statement	90.31	69.93
Profit for the year	137.70	403.65
Balance available for appropriations	228.01	473.58
Less: Appropriations:		
Interim Dividend	—	47.66
Tax on Interim Dividend	—	7.73
Proposed Equity Dividend (Amount per share Rs.1/-)	23.83	23.83
Tax on proposed Equity Dividend	4.05	4.05
Transfer to General reserve	100.13	300.00
Total Appropriations	128.01	383.27
Net surplus in the statement of profit and loss	100.00	90.31
Total	2,458.28	2,346.96
NOTE 5		
LONG TERM BORROWINGS :		
Secured:		
Term Loan from Banks	1,001.89	876.74
Soft Loan from Government	80.75	30.74
Sub Total	1,082.64	907.48
Unsecured:		
Fixed Deposits	—	1.40
Interest Free Sales Tax loan	437.71	484.18
Sub Total	437.71	485.58
Total	1,520.35	1,393.06

1. Term loans from banks and Soft Loan from Government are secured by pari-passu charges on fixed assets.
2. Maturity profiles of term loan from banks, Soft Loan from Government and Interest Free Sales Tax loans are furnished in Disclosures Forming Part of Financial Statements vide Note No. 30.



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

	As at 31-03-2014	(Rs. in Crores) As at 31-03-2013
NOTE 6		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Asset		
Tax effect of provision for leave encashment	(5.36)	(4.61)
Tax effect of provision for bad and doubtful debts	(3.33)	(3.33)
	<u>(8.69)</u>	<u>(7.94)</u>
Deferred Tax Liability		
Tax impact on difference between book depreciation and depreciation under the Income Tax Act, 1961	742.98	722.13
Tax impact of amortization of intangible assets	3.08	2.17
	<u>746.06</u>	<u>724.30</u>
Deferred Tax Liabilities (net)	<u>737.37</u>	<u>716.36</u>
NOTE 7		
OTHER LONG TERM LIABILITIES:		
Trade Payables	42.75	38.67
Security deposits from customers	340.72	299.75
Total	<u>383.47</u>	<u>338.42</u>
NOTE 8		
LONG TERM PROVISIONS:		
Provision for leave encashment	12.48	12.60
Provision for taxation	28.13	27.78
Total	<u>40.61</u>	<u>40.38</u>

THE RAMCO CEMENTS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 9

SHORT TERM BORROWINGS:

Secured:

Term loans from banks	175.00	145.00
Foreign currency loans from banks (Buyers Credit)	157.87	38.50
Rupee loans from banks	234.81	161.35

Sub Total (#)	567.68	344.85
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Unsecured:

Loans Repayable on Demand

Loan from Directors	8.84	8.90
Fixed Deposits	1.74	0.69

Other Loans and Advances

Loan from banks	29.15	50.00
Foreign currency loans from banks (Buyers Credit)	116.21	112.43
Loan from mutual funds	—	71.21

Sub Total	155.94	243.23
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Total	723.62	588.08
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(#) Secured by hypothecation of current assets

NOTE 10

OTHER CURRENT LIABILITIES:

Current maturities of Long Term loan	684.83	685.91
Interest accrued but not due	4.26	4.25
Unclaimed dividends	4.23	4.24
Disputed Dividend	0.46	0.46
Customers' balance	29.79	27.25
Statutory duties and taxes recovery payable	5.29	11.78
Recovery from employees payable	0.32	0.46

Total	729.18	734.35
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NOTE 11

SHORT TERM PROVISIONS:

Provision for leave encashment	4.04	1.63
Provision for taxation	32.30	117.38
Proposed Dividend (including tax)	27.88	27.88

Total	64.22	146.89
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NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE 12

FIXED ASSETS

(Rs. in Crores)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at the beginning of the year	Additions	Deductions / adjustments	As at the end of the year	As at the beginning of the year	For the year	Deductions / adjustments	As at the end of the year	As at 31-03-2014	As at 31-03-2013
TANGIBLE ASSETS										
Own assets										
Land	342.30	54.95	—	397.25	—	—	—	—	397.25	342.30
Buildings	484.01	84.02	—	568.03	58.85	12.65	—	71.50	496.53	425.16
Plant & Equipments	5229.02	139.47	115.21	5253.28	1630.63	264.58	108.08	1787.13	3466.15	3598.39
Railway Siding	56.91	10.95	—	67.86	17.93	2.58	—	20.51	47.35	38.98
Workshop, Quarry Equipments etc.,	44.19	3.00	0.81	46.38	22.94	3.88	0.58	26.24	20.14	21.25
Research & Development Equipments	66.87	—	—	66.87	45.22	4.59	—	49.81	17.06	21.65
Furniture & Fixtures	25.28	9.52	0.55	34.25	10.23	1.84	0.30	11.77	22.48	15.05
Office Equipments	31.98	7.76	0.49	39.25	16.58	2.77	0.37	18.98	20.27	15.40
Vehicles	20.03	3.64	0.93	22.74	7.40	1.93	0.42	8.91	13.83	12.63
Aircraft in Joint Venture (a)	3.61	—	—	3.61	0.47	0.20	—	0.67	2.94	3.14
Leased assets										
Land	19.99	—	1.42	18.57	0.54	0.15	0.03	0.66	17.91	19.45
Total - Tangible Assets - 2013-14	6324.19	313.31	119.41	6518.09	1810.79	295.17	109.78	1996.18	4521.91	4513.40
Total - Tangible Assets - 2012-13	5607.59	726.54	9.94	6324.19	1543.38	273.28	5.87	1810.79		
INTANGIBLE ASSETS										
Mining rights	13.55	—	—	13.55	—	—	—	—	13.55	13.55
Mine development & reclamation (b)	21.50	39.75	—	61.25	7.34	5.87	—	13.21	48.04	14.16
Fly ash collection rights (b)	3.08	—	—	3.08	1.55	1.53	—	3.08	—	1.53
Computer software	64.17	13.14	10.80	66.51	18.41	10.27	10.25	18.43	48.08	45.76
Power Transmission system (c)	6.44	6.52	—	12.96	1.29	2.18	—	3.47	9.49	5.15
Total - Intangible Assets - 2013-14	108.74	59.41	10.80	157.35	28.59	19.85	10.25	38.19	119.16	80.15
Total - Intangible Assets - 2012-13	62.85	45.98	0.09	108.74	11.91	16.77	0.09	28.59		
INTANGIBLE ASSETS UNDER DEVELOPMENT										
Mine development	7.36	2.28	4.92	4.72	—	—	—	—	4.72	7.36
Computer software	1.68	—	1.68	—	—	—	—	—	—	1.68
Total - Intangible Assets under Development - 2013-14	9.04	2.28	6.60	4.72	—	—	—	—	4.72	9.04
Total - Intangible Assets under Development - 2012-13	5.21	3.83	—	9.04	—	—	—	—		
CAPITAL WORK-IN-PROGRESS - 2013-14	147.96	569.88	368.32	349.52					349.52	147.96
CAPITAL WORK-IN-PROGRESS - 2012-13	522.34	401.94	776.32	147.96						

(a) The company owns 1/6 share in aircraft as joint ownership.

(b) Amortization of Mine development & reclamation / Fly ash collection rights are included in "Cost of materials consumed."

(c) Amortization of Power transmission system is adjusted in "Profit on sale of power from TPP."

Note: The Depreciation amortisation amount of Rs.306.29 crores (PY: Rs.280.58 crores) as per Statement of Profit and loss account consist of: Tangible Fixed Assets: Rs.295.17 crores (PY: Rs.273.28 crores); Computer Software: Rs.10.27 crores (PY: Rs.6.59 crores); Investment Property (Note -13): Rs.0.85 crores (PY: Rs.0.71 crores)

THE RAMCO CEMENTS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

		(Rs. in Crores)	
	Face Value	As at 31-03-2014	As at 31-03-2013
NOTE 13			
NON-CURRENT INVESTMENTS			
Investment property			
Land		137.57	137.57
Building		0.66	0.66
Building given on operating lease		60.76	42.52
Gross Block		61.42	43.18
Less: Accumulated depreciation as at the beginning of the year		3.73	3.02
Depreciation for the year		0.85	0.71
Net Block		56.84	39.45
Total Investment property	(A)	194.41	177.02
Non trade investments (valued at cost)			
Unquoted equity instruments			
Other Companies :			
AP Gas Power Corporation Ltd. (16,08,000 equity shares of Rs.10/- each fully paid up)	1.61	22.12	22.12
Sri Vishnu Shankar Mill Ltd.			
(2,100 shares including 1,050 bonus shares of Rs.10/- each fully paid up)	0.00	0.01	0.01
Chettinad Cement Corporation Ltd. (100 shares including 50 bonus shares of Rs.10/- each fully paid up)	0.00	—	—
Subsidiary Company :			
Ramco Windfarms Limited (71,50,000 shares of Rs.1/- each fully paid up)	0.72	0.72	—
Other Investments - Unquoted			
The Madras Cements Employees' Co-operative Stores Ltd. (250 shares of Rs.10/- fully paid up)	0.00	—	—
Total Unquoted Instruments	(B) 2.33	22.85	22.13
Quoted equity instruments			
Ramco Industries Ltd. (1,33,72,500 shares including 92,06,250 bonus shares of Rs.1/- each fully paid up)	1.34	20.54	20.54
Ramco Systems Ltd. (21,17,810 shares including 4,84,000 shares allotted pursuant to scheme of Demerger of Ramco Systems Ltd, Rs.10/-each fully paid up)	2.12	36.91	36.91
Associated Cements Company Ltd. (103 shares including 4 bonus shares of Rs.10/- each fully paid up)	—	—	—
India Cements Ltd. (58 shares including 29 bonus shares of Rs.10/- each fully paid up)	—	—	—
Andhra Cements Ltd. (111 Shares of Rs.10/- each fully paid up)	—	—	—
Heidelberg Cements India Ltd. (170 shares including 20 bonus shares of Rs.10/- each fully paid up)	—	—	—
Rajapalayam Mills Ltd. (7,25,600 shares including 3,69,200 bonus shares of Rs.10/- each fully paid up)	0.73	8.12	8.12
Housing Development Finance Corporation Ltd. (17,400 shares including 8,700 bonus shares of Rs.2/- each fully paid up)	—	—	—
HDFC Bank Ltd. (2,500 shares of Rs.2/- each fully paid up)	—	—	—
Indbank Merchant Banking Services Ltd. (50,000 shares of Rs.10/- each fully paid up)	0.05	0.20	0.20
Tamil Nadu News Print & Papers Ltd. (22,700 shares of Rs.10/- each fully paid up)	0.02	0.25	0.25
Indian Bank (2,792 shares of Rs.10/- each fully paid up)	—	0.02	0.02
Industrial Development Bank of India Ltd. (14,240 shares including 5,340 bonus shares of Rs.10/- each fully paid up)	0.01	0.11	0.11
Sub Total	4.27	66.15	66.15
Provision for "other than temporary diminution" in the value		0.18	0.21
Total	4.27	65.97	65.94
Investments in Debentures/ Bonds			
12.4% Government of India Loans Bond (Face value Rs.50,00,000)	—	—	0.51
Investments in mutual funds			
HDFC Balance Fund (1,27,843 units of Rs.10/- each)	0.13	0.18	0.17
Total Quoted Instruments	(C) 4.40	66.15	66.62
Market Value		111.89	115.75
Aggregate Value of Investments	(A+B+C)	283.41	265.77



NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 14

LONG TERM LOANS AND ADVANCES:

Secured and Considered Good

Capital advances	31.88	31.20
Loans and advances to employees	17.95	12.66
Sub Total	49.83	43.86

Unsecured and Considered Good

Deposits and Balance with Govt. Departments	18.20	18.29
Deposit with suppliers	10.88	7.52
Advance to suppliers	12.00	13.67
Deposits under protest, in Appeals	62.04	29.52
Advance recoverable in cash or kind	14.86	13.45
MAT Credit Entitlement	49.58	12.91
IPA Receivable (Ref.Note:41)	121.29	75.43
Sub Total	288.85	170.79

Total	338.68	214.65
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NOTE 15

OTHER NON-CURRENT ASSETS:

Considered Good

Trade receivables - secured	1.20	0.96
Trade receivables - unsecured	0.42	0.53

Considered Doubtful

Trade receivables - unsecured	7.25	7.25
Provision for Doubtful debts	(7.25)	(7.25)

Total	1.62	1.49
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NOTE 16

INVENTORIES:

Raw materials	178.12	145.38
Stores, Spares, Fuel and Packing Materials	393.95	316.42
Work-in-progress	53.39	60.60
Finished goods (*)	60.07	72.35
Total	685.53	594.75

(*) Includes finished goods in transit of Rs.3.15 Crores (PY: Rs.4.17 Crores)

THE RAMCO CEMENTS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

	(Rs. in Crores)	
	As at 31-03-2014	As at 31-03-2013
NOTE 17		
TRADE RECEIVABLES:		
Secured and Considered Good:		
Trade receivables less than 6 months	175.62	151.28
Trade receivables more than 6 months	1.86	0.53
Unsecured and Considered Good:		
Trade receivables less than 6 months (a)	125.22	102.13
Trade receivables more than 6 months (b)	1.26	47.49
Considered Doubtful		
Trade receivables - unsecured	3.00	3.00
Provision for Doubtful debts	(3.00)	(3.00)
Total	303.96	301.43
(a) Includes receivables from TANGEDCO towards sale of power for Rs.64.19 crores (PY: Rs.49.96 crores) and from TANCEM towards sale of cement for Rs.19.28 crores (PY: Rs.9.81 crores)		
(b) Includes receivables from TANGEDCO towards sale of power for Rs.1.02 crores (PY: Rs.46.05 crores) and from TANCEM towards sale of cement for Rs.0.02 crores (PY: Rs.0.37 crores)		
NOTE 18		
CASH AND BANK BALANCES:		
Cash and Cash Equivalents		
Cash on hand	0.12	0.08
Stamp paper and imprest	0.04	0.04
Balance in current account	39.94	49.56
Other Bank Balances		
Term Deposits (*)	0.28	0.04
Dividend Warrant account	4.23	4.24
Total	44.61	53.96
(*) Deposits with banks held towards security to various Government Departments.		
NOTE 19		
SHORT TERM LOANS AND ADVANCES:		
Unsecured and Considered Good		
Loans and advances to related parties	39.23	24.02
Advances to suppliers	37.23	48.67
Tax Credits - Indirect Taxes	55.06	42.81
Advance income tax paid, TDS and refund receivable	48.76	126.47
Advance recoverable in cash or kind	6.54	15.65
Loans and advances to employees	6.55	4.44
Deposits and Balance with Govt. Departments	2.63	3.30
Prepaid Expenses	10.59	13.22
Total	206.59	278.58



NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

	2013-14	2012-13
NOTE 20		
OTHER CURRENT ASSETS :		
Unamortised Premium on Forward Contracts	5.68	1.59
Unbilled Revenue	3.17	8.61
Total	8.85	10.20
NOTE 21		
REVENUE FROM OPERATIONS:		
Sale of products		
Domestic Sales - Cement	3,973.79	4,164.14
Domestic Sales - Clinker	0.00	11.60
Exports - Cement	82.45	28.70
Ready Mix Concrete	16.70	18.50
Dry Mortar Mix	25.10	18.66
Self consumption - Cement	20.03	16.52
Self consumption - Dry Mortar Mix	0.48	0.29
	20.51	16.81
Power generated from Wind Mills (Ref.Note:38)	68.24	87.08
Other Operating Income		
Industrial Promotion Assistance (Ref.Note:41)	51.39	42.38
Gross Revenue from Operations	4,238.18	4,387.87
Less: Excise Duty and Cess	554.67	557.07
Revenue from Operations	3,683.51	3,830.80
NOTE 22		
OTHER INCOME:		
Interest income	6.27	7.32
Dividend income	0.76	1.96
Sundry Receipts	0.51	0.53
Scrap sales	11.75	14.48
Rent receipts	7.29	7.25
Carbon Credit sales	0.78	—
Profit on sale of Power from Thermal Power Plant (*)	35.89	10.32
Reversal of reduction in carrying amount of Investment	0.03	—
Profit on sale of assets (net) (Ref.Note:32)	22.44	—
Total	85.72	41.86

(*) After netting off directly attributable expenses of Rs.110.69 crores (PY: Rs.56.99 crores)

THE RAMCO CEMENTS LIMITED

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

	2013-14		2012-13	
NOTE 23				
COST OF MATERIALS CONSUMED:				
Cement:				
Lime stone	274.44		241.52	
Pozzolona Material	159.00		122.33	
Gypsum	59.34		44.55	
Laterite	23.03		22.17	
Iron Ore	4.21		1.94	
Other Additives	13.83		8.07	
Freight & Handling - Inter unit clinker Transfer	107.03		109.15	
Material handling expenses	7.50		6.26	
	<u>648.38</u>		<u>555.99</u>	
Ready Mix Concrete				
Cement	4.03		4.19	
Aggregates	4.80		4.78	
Others	0.22		0.27	
	<u>9.05</u>		<u>9.24</u>	
Dry Mortar Mix				
Cement	4.94		4.57	
White Cement	0.87		0.85	
Additives	6.62		4.62	
	<u>12.43</u>		<u>10.04</u>	
Total	<u><u>669.86</u></u>		<u><u>575.27</u></u>	
Imported and Indigenous Raw materials Consumed:				
Imported	70.06	10.46%	12.83	2.23%
Indigenous	599.80	89.54%	562.44	97.77%
Total	<u><u>669.86</u></u>	<u><u>100.00%</u></u>	<u><u>575.27</u></u>	<u><u>100.00%</u></u>



NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

NOTE 24

CHANGES IN INVENTORIES OF FINISHED
GOODS AND WORK-IN-PROGRESS:

Closing Stock

Finished Goods	60.07	72.35
Work-in-progress	53.39	60.60
	<u>113.46</u>	<u>132.95</u>

Opening Stock

Finished Goods	72.35	35.09
Work-in-progress	60.60	47.86
	<u>132.95</u>	<u>82.95</u>

(Increase)/Decrease in stock	19.49	(50.00)
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ED on stock variance	0.31	4.67
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Net (Increase)/Decrease in stock	<u>19.80</u>	<u>(45.33)</u>
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NOTE 25

EMPLOYEE BENEFIT EXPENSES:

Salaries and wages	184.89	162.36
Workmen and Staff welfare	18.29	16.84
Contribution to Provident Fund	10.78	9.08
Contribution to Gratuity Fund	2.17	2.62
Contribution to National Pension System (NPS)	0.88	0.58
Contribution to Superannuation Fund	4.82	4.23
Total	<u>221.83</u>	<u>195.71</u>

NOTE 26

FINANCE COSTS:

Interest on term loans	182.92	165.08
Interest on fixed deposits	0.16	0.17
Applicable loss on foreign currency transactions and translation	2.97	11.41
Other borrowing costs	2.08	1.85
Total	<u>188.13</u>	<u>178.51</u>

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NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

	2013-14	2012-13
NOTE 27		
OTHER EXPENSES:		
Manufacturing Expenses		
Power & Fuel	832.40	809.90
Packing Materials consumption	176.05	152.27
Stores and Spares consumption	72.92	69.44
Repairs to plant and equipments	48.04	46.16
Repairs to buildings	16.23	11.25
Repairs to vehicles and locomotives	9.33	7.98
General repairs	1.96	1.56
	1,156.93	1,098.56
Establishment Expenses		
Managing Director Remuneration	8.12	30.96
IT & Communication expenses	16.21	13.98
Corporate Social Responsibility expenses (Ref.Note:42)	16.84	32.75
Insurance	7.52	8.20
Exchange Difference (Net)	2.64	4.27
General Administration Expenses	12.45	10.09
Travelling expenses	14.06	11.13
Training & Development Expenses	3.90	0.31
Rates and taxes	8.29	8.86
Rent	9.93	7.36
Input tax credit reversal	5.65	3.86
Miscellaneous Expenses	9.47	5.11
Reduction in carrying amount of Investment	—	0.01
Legal and Consultancy expenses	2.49	2.81
Bank Charges	0.82	0.95
Cement Cess	0.64	0.62
Auditors' Remuneration and expenses (Ref. Note:33)	0.26	0.19
Board Meeting expenses	0.05	0.05
Directors Sitting fees	0.06	0.05
Loss on sale of investments	0.01	—
Impairment Loss on assets	0.54	—
Loss on sale of assets	—	1.39
	119.95	142.95
Selling and Distribution Expenses		
Transportation and Handling Expenses	825.67	769.30
Advertisement expenses	53.62	42.67
Other selling expenses	2.43	2.02
Sales Promotion expenses	41.07	34.41
Agency commission	8.71	7.74
Bad debts	0.60	2.06
	932.10	858.20
Total	2,208.98	2,099.71



NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

	2013-14		2012-13	
Imported and Indigenous Stores and Spare Parts Consumed:				
Imported	7.04	9.65%	5.23	7.53%
Indigenous	65.88	90.35%	64.21	92.47%
Total	<u>72.92</u>	<u>100.00%</u>	<u>69.44</u>	<u>100.00%</u>
Value of imports calculated on C.I.F basis in respect of:				
Raw Materials	45.35		3.12	
Stores and spare parts	12.69		7.77	
Coal and Petcoke	429.99		468.28	
Packing Materials	31.10		29.07	
Capital Goods	21.62		3.43	
	<u>540.75</u>		<u>511.67</u>	
Expenditure in Foreign Currency on account of:				
Interest	2.96		6.53	
Supervision Charges for Foreign Technician	2.55		0.89	
Foreign Travel	0.41		0.11	
Advertisement, Sales promotion outside India	0.65		1.21	
Leadership Training programme	1.75		0.00	
Subscription and Periodicals	0.50		0.28	
Quality Certification Fees	0.07		0.02	
	<u>8.89</u>		<u>9.04</u>	
Earnings in Foreign Currency				
Export of Cement calculated on FOB Basis	<u>80.98</u>		<u>27.48</u>	

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

Chennai
22-05-2014

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S
C.N.GANGADARAN
Partner
Membership No. 11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

P.R.VENKETRAMA RAJA
R.S.AGARWAL
M.B.N.RAO
M.M.VENKATACHALAM
Directors

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DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014

		(Rs. in Crores)	
		As at 31-03-2014	As at 31-03-2013
28.	Contingent Liabilities:		
28.1	Unexpired Letters of credit for purchase of:		
	– Spares, Fuel & packing materials	1.74	17.71
	– Capital Goods	33.31	16.70
28.2	Guarantees given by the bankers on behalf of company	53.86	46.17
28.3	Guarantees given to banks to avail loan facilities by Group companies:		
	– Thanjavur Spinning Mill Limited	83.00	58.00
	– Sandhya Spinning Mill Ltd.	59.38	59.38
	– Ramco Systems Limited	325.00	233.00
	– Raja Charity Trust	100.00	NIL

28.4 Income tax assessments have been completed up to the accounting year ended on 31st March 2011 i.e., Assessment Year 2011-12. The company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. As against the tax demand of Rs.23.77 Crores (PY: Rs.27.91 Crores), the department has adjusted Rs.10.56 Crores (PY: Rs.14.70 Crores) against refunds claimed. In the opinion of Management, there may not be any tax liability with regard to the said disallowances and the refunds so adjusted are held in “Deposits under protest, in appeals” under Long term loans and advances.

28.5 In respect of Sales Tax (VAT & CST) matters appeals are pending with the Appellate Authorities in respect of tax demands amounting to Rs.40.05 Crores, (PY: Rs.34.07 Crores) against which Rs.6.84 Crores (PY: Rs.7.01 Crores) have been paid under protest and is held in “Deposits under protest, in appeals” under Long term loans and advances. In the opinion of the management, there may not be any tax liability with regard to the said demands.

28.6 Differential excise duty on cement in “Bulk & Cement supplies to industrial consumers” amounting to Rs.213.63 Crores (PY: Rs.152.55 Crores) demanded by the Department, denying the concession provided under relevant notifications, remain unpaid. The Tribunals have allowed our appeals in this matter. The Department’s appeal was also dismissed in Karnataka High court in the similar issue pertaining to another cement company. But still the department has preferred an appeal before the Supreme Court against Tribunal orders. However periodical demands are being issued to the company by the department in view of pendency of its appeal in the Supreme Court. The demands due to CENVAT credit disallowance on some of the inputs, capital goods, service tax on goods transports and levy of differential excise duty with consequential interest and penalty, as at 31-03-2014, amounts to Rs.58.85 Crores (PY: Rs.58.71 Crores) remain unpaid, against which the company has replied / preferred appeals that are pending adjudication. In the opinion of the management, there may not be any liability with regard to the said demands.

28.7 The Classification of import of “Steam coal” was challenged by the Customs Department for the period from 17-03-2012 to 28-02-2013 for the imports made by the company as well as other importers across the country. The Department has sought to re-classify the “Steam coal” as “Bituminous coal”. Accordingly a sum of Rs.12.70 crores as differential customs duty and Rs.12.68 crores as differential CVD were demanded. Apart from that a penalty of Rs.7.22 crores was also imposed. While imposing the above said differential duties, the Department



has denied the benefit of the Notification No.46/2011-Cus dated 01-06-2011; otherwise the duty liability would have been Rs.4.37 crores towards differential customs duty and Rs.11.33 crores towards differential CVD. Aggrieved by that, the company has filed a writ petition before Hon'ble Madras High court and as per the interim order passed by the court, the company has deposited Rs.2 crores. The writ petition is pending. The company is proposing to file statutory appeals before CESTAT against the said re-classification. The amount so deposited by the company is held in "Deposits under protest, in appeals" under Long term loans and advances.

- 28.8 The Writ Petitions filed by the company in the Honourable Madras High Court against Tamil Nadu Electricity Board (TNEB) towards levy of electricity tax at 15% on the generation of power from captive generator sets using furnace oil are pending. The levy pertains to the period 01-01-1992 to 30-10-1997. The disputed amount remaining unpaid is Rs.0.85 Crores.
- 28.9 TNEB has imposed Rs.1.39 crores towards penalty, alleging shortfall in lifting of fly ash as per the terms of MoU entered into with the Company. TNEB has made the calculation based on the estimation of fly ash quantity that could have been generated for the quantity of coal used by them, instead of ascertaining the actual availability of fly ash generated by them. The Company has obtained stay orders against the penalty from Honourable High Court of Madras.
- 28.10 The company had entered into MoU with TNEB for sourcing fly ash from their thermal power stations. Ignoring the company's right vested under MoU, it was proposed by TNEB to introduce auction unilaterally, for disposal of fly ash. Further TNEB has also proposed to increase the rate from Rs.350/- to Rs.700/- per tonne of fly ash from 01-03-2011. In the writ petitions filed by the Company and other similarly affected companies, the Honourable High Court of Madras, has fixed rate at Rs.540/- per tonne. Challenging the above order, the company filed a review petition and obtained an interim order fixing the rate at Rs.410/- per tonne. Based on the interim order, the company has paid and expensed the differential rate of Rs.60/- per tonne amounting to Rs.7.51 crores during the year (PY: Nil). The final decision from the court is awaited.
- 28.11 TANGEDCO has raised a demand towards compensation charges of Rs.0.92 Crores alleging that the Company has exceeded the quota of power consumption during evening peak hours. The Company has deposited the amount under protest, filed writ petition before the High Court of Madras and the same has been admitted.
- 28.12 Government of Karnataka has imposed Environmental Protection Fee of Rs.5.60 crores, in connection with Company's mining leases. In the writ petitions filed by the Company and other similarly affected companies, the Honourable High Court of Karnataka, has stayed the imposition of the fee. As per the order, the Company has deposited a sum of Rs.2.90 Crores (PY: Rs.2.90 Crores).
- 28.13 The Competition Commission of India vide its order dated 20-06-2012 has imposed a penalty of Rs.258.63 crores on the company for alleged cartelisation with select cement manufacturers. The company has filed an appeal against the order before Competition Appellate Tribunal. In compliance of the interim order, the company has deposited Rs.25.86 crores, being 10% of the impugned penalty. The appeal is pending. Based on the legal opinion the company has not considered any provision as necessary.
- 28.14 Southern Power Distribution Company of Andhra Pradesh Limited has demanded an amount of Rs.0.32 Crores towards alleged excess load factor incentives allowed by them. The Company has filed an appeal before Honourable High Court of Andhra Pradesh and obtained an order of interim stay.
- 28.15 Andhra Pradesh Transmission Corporation Limited (APTRANSCO) has levied Rs.5.91 crores as Fuel Surcharge Adjustment (FSA) for the period from Apr-08 to Dec-12. Out of that, the company has paid and expensed Rs.2.82 crores. Out of that an amount of Rs.2.13 crores is not presently enforceable for the reasons that a part of the amount is covered in the appeal filed by the APTRANSCO before Hon'ble Supreme court and the interim order

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granted in favour of the company by the Hon'ble AP High court. The further balance amount of Rs.0.96 crores will be paid as and when it is demanded. APERC has ordered that this FSA is not leviable from Jan-13 onwards.

- 28.16 Under the Jute Packing Materials (Compulsory use of packing commodities) Act, 1987, 50% of the cement produced should be supplied in jute bags. Failure to do so attracts a maximum fine equal to twice the cost of jute bags not used as required by the Act. In view of the competitive conditions prevailing in the market and consumer preference for paper and HDPE bags, the company was not able to use jute bags. The Supreme Court upheld the Constitutional validity of the above Act. However, the Madras High Court and also a few other High Courts have stayed the implementation of the Jute Control Order, in the Writ Petitions filed by the Trade Unions, taking into account the health hazards associated with Jute Packing. Subsequently, Cement has been removed from the schedule of items required to be packed in Jute Packing Materials with effect from 01-07-1997 vide GOI Gazette Extraordinary No.472E dated 30-06-1997. The amount that may become payable in case it is ultimately held that penalty is leviable for non-compliance of the Act during the intervening period is presently not quantifiable.
- 28.17 The AP State Electricity Board (APSEB) had hiked the wheeling charges with effect from 24-03-2002. As a result, the cost of power the company is getting from A P Gas Power Corporation Ltd (APGPCL) had gone up by Re.0.84 per unit. APGPCL and other affected consumers including our company had filed appeals in the Honourable AP High Court. The court passed orders in favour of the industries. The APSEB has preferred an appeal to the Honourable Supreme Court and the matter is pending.
- 28.18 The Director of Geology & Mining, Government of Tamil Nadu had raised additional Royalty demand on limestone, based on production of cement by the company instead of basing it on actual quantity of limestone mined. The demand for the company is Rs.9.66 crores for the period from the year 1989 to 2001. In the Writ petitions filed by the company and other similarly affected companies, the Honourable Madras High court has stayed the demands of the Government.
- 28.19 Water Resources Department of Public Works Department, Government of Tamil Nadu had raised a demand of Rs.1.13 crores contending that water charges are to be paid on the contracted quantity and not on the actual quantity of water drawn by the company from Arjuna River in Virudhunagar District. The demand pertains to the period from the year 1990 to 2009. The company has obtained interim stay from the Honourable High Court of Madras. As per the interim order, the Company has deposited a sum of Rs.0.30 Crores (PY: Rs.0.30 Crores) with the Department.
- 28.20 Environment, Forests Science & Technology Department, Government of Andhra Pradesh has increased the Royalty on the Limestone mined from the Forest Area from Rs.5/- per permit to Rs.10/- per tonne from the year 2010-11 onwards. We have filed a writ petition before the Honourable High Court of Andhra Pradesh and obtained an interim order, to pay 1/3rd of the demand. As per the Court order, we have paid and expensed Rs.0.99 Crores (PY: Rs.0.63 Crores), being the 1/3rd portion upto 31-03-2014.
- 28.21 New Industries set up in Tamil Nadu were eligible for Power Tariff Concession as per G.O.Ms. No.29 dated 31-01-1995, which was sought to be withdrawn to Industries set up after 14-02-1997 as per G.O.Ms. No.17 dated 14-02-1997. The eligibility for Power Tariff Concession for Alathiyur unit became a dispute between the Company and TNEB. Based on the interim order of the High Court of Madras, the Company had availed power tariff concession to the tune of Rs.11.41 crores and sought refund of unavailed concession of Rs.1.80 crores. The matter was finally settled by the Supreme Court, vide its judgement dated 16-05-2008, wherein it laid down criteria for ascertaining the eligibility for Power Tariff Concession for new industries and directed the TNEB to decide the eligibility for the Company based on the said criteria. However, vide its order dated 30-06-2008,



the TNEB sought to introduce new criteria not enumerated in the Supreme Court judgement. Aggrieved, the Company filed a writ petition (WP No:16348 of 2008) before the High Court of Madras, which by its judgement dated 13-11-2008 set aside the additional criteria not mentioned in the Supreme Court Judgement and confirmed the eligibility of Power Tariff Concession for the Company. TNEB has filed a writ appeal (WA No:629 of 2010) in the High Court of Madras against the said order seeking disentitlement of power tariff concession already availed. The matter is pending for hearing at the High Court of Madras.

28.22 Under Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligations) Regulations, 2010, consumers owning grid connected captive power generating plants and open access consumers with a sanctioned demand of more than 2 MVA are obligated to consume a minimum of 9% and 0.5% of their energy requirements from wind and solar sources respectively. The non-complainants are required to purchase Renewable Energy Certificates (REC) from markets @ 1 REC per 1,000 units of shortage or deposit an equivalent amount in a separate designated fund. Even though the Company is consuming wind energy generated from its wind farms, it has been excluded for reckoning the obligatory consumption, since the company has wheeling and banking arrangement with TNEB. Aggrieved, the Company including other affected producers have approached the Honourable Madras High Court and obtained an interim stay against the implementation of the said regulation.

28.23 The Government of West Bengal enacted "The West Bengal Tax on Entry of goods into local areas Act, 2012" and writ petitions were filed by others challenging the validity of the said Act. The Calcutta High court held that the said the Act was ultra-vires. Aggrieved, the Government has preferred an appeal before the Division Bench and obtained an interim direction to continue the Assessment proceedings only. Though the company has not received any demand, it has filed a petition to join in the case.

29. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for

(Rs. in Crores)	
As at 31-03-2014	As at 31-03-2013
191.93	235.21

30. The Maturity profile of the Long Term Borrowings as on 31-03-2014 is as follows:

Term Loans from Banks:

Rate of interest in %	2018-19		2017-18		2016-17		2015-16		TOTAL
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
9.45	3	6.75	12	27.00	12	27.00	12	27.00	87.75
10.00	—	—	—	—	—	—	1	4.14	4.14
10.25	—	—	—	—	—	—	2	14.57	14.57
10.45	—	—	4	60.00	4	60.00	4	60.00	180.00
10.50	4	16.02	10	57.10	27	202.83	32	286.16	562.11
10.80	—	—	4	40.00	4	40.00	4	40.00	120.00
11.25	—	—	—	—	1	16.66	1	16.66	33.32
	7	22.77	30	184.10	48	346.49	56	448.53	1,001.89

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(Rs. in Crores)

Soft Loan from Tamil Nadu Government:

Repayment due	Rate of interest	Total
Apr-2022	0.10%	30.74
Apr-2023	0.10%	50.01
	Total	80.75

Interest Free Sales Tax loan:

Year	Alathiyur Unit		Jayanthipuram Unit		Total
	No. of instalments	Amount	No. of instalments	Amount	
2025-26	—	—	2	3.55	3.55
2024-25	—	—	4	16.38	16.38
2023-24	—	—	9	40.04	40.04
2022-23	—	—	5	21.43	21.43
2021-22	—	—	—	—	—
2020-21	6	54.74	—	—	54.74
2019-20	12	100.62	—	—	100.62
2018-19	12	74.43	—	—	74.43
2017-18	12	50.60	—	—	50.60
2016-17	7	36.95	—	—	36.95
2015-16	8	38.97	—	—	38.97
		356.31		81.40	437.71

31. “Short term Loans & Borrowings” under “Unsecured Loans” include Loans from Directors as detailed below

Name	Closing balance as on 31-03-2014	Interest @ 8% p.a
P.R.Ramasubrahmaneya Rajha	8.84 (PY: 8.90)	0.73 (PY: 0.42)

32. During the year, the company has partly sold its wind electric generators with an aggregate capacity of 33.23 MW to its newly formed subsidiary company viz., “Ramco Windfarms Limited” at the fair market value of Rs.31.39 crores including taxes. The profit arising out of such sale amounting to Rs.22.99 crores is included in “Profit on sale of assets” under “Other income”.



	(Rs. in Crores)	
33. Auditors' remuneration (excluding Service Tax) & expenses:	2013-14	2012-13
A. Statutory Auditors:		
a. As Auditors	0.15	0.12
b. For Taxation matters	0.02	0.01
c. Other certification work	0.03	0.01
d. For reimbursement of expenses	0.04	0.03
B. Cost Auditors:		
As Auditors	0.02	0.02
	0.26	0.19

34. The Company's shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for which Listing fees for the year 2013-14 have been paid. The Company's application for de-listing from Calcutta Stock Exchange is under process.

35. There are no dues to Micro and Small Enterprises as at 31-03-2014 (PY: Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

36. The company has invested Rs.22.12 Crores in Andhra Pradesh Gas Power Corporation Ltd (APGPCL) by purchasing its 16,08,000 equity shares. The investment entitles the company to source 6 MW power from APGPCL at economical rates compared to the rates charged by AP State Electricity Board. Considering the availability of captive power sources at Jayanthipuram plant, in order to utilise the entitled power, all the shares (PY: 11,12,200 Shares) are being held jointly with the following related parties:

Name of the Related Party	Number of shares	Entitlement of power (MW)	Interest free Security Deposit Received (Rs. in Crores)
Rajapalayam Mills Limited	3,48,400	1.30	0.130
The Ramaraju Surgical Cotton Mills Ltd.	3,08,200	1.15	0.115
Sri Vishnu Shankar Mill Ltd.	3,21,600	1.20	0.120
Sandhya Spinning Mill Ltd.	3,21,600	1.20	0.120
Sri Harini Textiles Limited	3,08,200	1.15	0.115

APGPCL will supply the entitled power of 6 MW (PY: 6 MW) to the above related parties for which the charges will be paid by them directly. The Company has received 10 paise per unit for the power consumed by them by virtue of the joint ownership of the shares amounting to Rs.0.18 Crores (PY: Rs.0.15 Crores).

37. Research and Development expenses for the year are Rs.10.94 Crores (PY: Rs.9.36 Crores) including Rs.5.39 Crores towards Depreciation (PY: Rs.5.38 Crores).

38. Out of units of 26.67 Crores units (PY: 32.47 Crores units) generated net of wheeling and banking at wind farms –
a) 22.68 Crores units (PY: 27.44 Crores units) were sold to TANGEDCO for Rs.67.32 crores (PY 81.63 Crores), shown under "Power generated from windmills".

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- b) 3.69 Crores units (PY: 3.84 Crores units) were consumed at the cement plants. The monetary value of such units was not recognised as it is inter-divisional transfer.
- c) 0.30 Crores units (PY: 1.19 Crores units) remain unadjusted as on 31-03-2014 is not allowed for carry forward as per terms of agreement but are eligible for encashment. Its monetary value of Rs.0.92 Crores (PY: Rs.5.45 Crores) has been included in "Unbilled revenue" under "Other current assets".

39. The Pre-operative expenses incurred on account of insurance premium of Rs.0.16 Crores (PY: Rs.0.41 Crores) and borrowing costs of Rs.26.56 Crores (PY: Rs.22.80 Crores) relating to acquisition / construction of assets have been capitalized during the year.
40. The company's petition filed against the judgement upholding the validity of "The Cess and Other Taxes on Minerals (Validation) Act, 1992" in the Honourable Supreme Court has been ruled in company's favour. Pursuant to the above judgement, the company is entitled to receive a sum of Rs.1.50 Crores (PY: Rs.1.50 crores) from the Government of Tamil Nadu and is held under "Advances recoverable in cash or kind".
41. The Company is eligible for incentives under "West Bengal Incentive Scheme 2004" in respect of the clinker grinding unit at Kolaghat in the State of West Bengal. A sum of Rs.50.14 crores (PY: Rs.42.38 crores) accrued as Industrial Promotional Assistance (IPA), being 90% of taxes paid, is credited to Statement of Profit and Loss, under "Other operating Income". During the year the company has realised Rs.5.53 crores (PY: Nil). The aggregate value of incentives receivable as on 31-03-2014 is Rs.120.04 crores (PY: Rs.75.43 crores). The company is also eligible for incentives under "Industrial investment promotion policy, 2005-10 scheme" in respect of expansion of cement manufacturing capacity in Jayanthipuram plant in the state of Andhra Pradesh for the year 2012-13. A sum of Rs.1.25 crores (PY: Nil) accrued as reimbursement of 25% of incremental VAT paid, is also credited to Statement of Profit and Loss under "Other operating income".
42. Details of Corporate social responsibility expenses:

(Rs. in Crores)

Category	2013-14	2012-13
Contribution to Public charitable Trust for setting up of Engineering college	12.08	24.50
Contribution to Public charitable Trust for construction of temples	0.27	1.00
Contributions to temples / places of worship	1.73	0.75
Value of cement donated to temples / places of worship	0.25	0.55
Contributions to Educational institutions	0.20	1.22
Value of cement donated to educational institutions	0.13	0.22
Contributions to Government sponsored welfare schemes	0.52	1.38
Contributions to neighbourhood development near places of business	0.64	1.99
Amount spent for medical camps	0.15	0.08
Contributions to Public Healthcare	0.13	0.67
Contributions for sports development	0.07	0.20
Contributions to other charitable institutions / causes	0.67	0.19
Total	16.84	32.75



43. As per AS-15, the disclosures pertaining to “Employee Benefits” are given below:

Defined Contribution Plan:

(Rs. in Crores)

	2013-14	2012-13
Employer's Contribution to Provident Fund	10.78	9.08
Employer's Contribution to National pension System (NPS)	0.88	0.58
Employer's Contribution to Superannuation Fund	4.82	4.23

Details of the Post Retirement Gratuity Plan (Funded) are as follows:

Reconciliation of opening and closing balances of obligation:

Defined Benefit obligation as at the beginning of the year	27.27	23.67
Current Service Cost	1.94	1.89
Interest Cost	2.11	1.86
Actuarial loss	0.65	0.80
Benefits paid	(-) 1.88	(-) 0.95
Defined Benefit obligation as at the end of the year	30.09	27.27

Reconciliation of opening and closing balances of Fair Value of Plan Assets:

Fair value of plan assets as at the beginning of the year	27.27	23.67
Expected return on plan assets	1.71	1.36
Actuarial gain	0.82	0.57
Employer contribution	2.17	2.62
Benefits paid	(-) 1.88	(-) 0.95
Fair value of plan assets as at the end of the year	30.09	27.27

Actual Return on Plan Assets:

Expected return on plan assets	1.71	1.36
Actuarial gain on plan assets	0.82	0.57
Actual return on plan assets	2.53	1.93

Reconciliation of Fair Value of Assets and Obligations:

Fair value of plan assets	30.09	27.27
Present value of obligation	30.09	27.27
Difference	Nil	Nil
Unrecognized past service cost – non vested benefits	Nil	Nil
Amount recognized in Balance Sheet	Nil	Nil

THE RAMCO CEMENTS LIMITED

		(Rs. in Crores)
Expense recognized during the year:		
	2013-14	2012-13
Current Service Cost	1.94	1.89
Interest Cost	2.11	1.86
Expected return on plan assets	(-) 1.71	(-) 1.36
Actuarial loss / (gain)	(-) 0.17	0.23
Past service cost - non-vested benefits	Nil	Nil
Past service cost - vested benefits	Nil	Nil
Net Cost	2.17	2.62
Investment Details as on 31-03-2014:		
GOI Securities	0.07	0.10
High Quality Corporate Bonds	0.05	0.05
Funds with LIC	27.41	24.87
Bank balance	0.03	0.06
Interest & IT refund receivable	2.53	2.19
Total	30.09	27.27
Actuarial assumptions:		
LIC 1996-98 Ultimate Table applied for service mortality rate	Yes	Yes
Discount rate p.a	9%	8%
Expected rate of return on plan assets p.a	6.22%	6.22%
Rate of escalation in salary p.a	3.50%	3.50%
Details of the Leave Encashment Plan (Unfunded) are as follows:		
Reconciliation of opening and closing balances of obligation:		
Defined Benefit obligation as at the beginning of the year	14.23	12.62
Current Service Cost	0.77	0.73
Interest Cost	1.09	0.97
Actuarial loss	1.62	0.87
Benefits paid	(-) 1.19	(-) 0.96
Defined Benefit obligation as at the end of the year	16.52	14.23
Reconciliation of opening and closing balances of Fair Value of Plan Assets:		
Fair value of plan assets as at the beginning of the year	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss	Nil	Nil
Employer contribution	1.19	0.96
Benefits paid	(-) 1.19	(-) 0.96
Fair value of plan assets as at the end of the year	Nil	Nil
Actual Return on Plan Assets:		
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss on plan assets	Nil	Nil
Actual return on plan assets	Nil	Nil



Reconciliation of Fair Value of Assets and Obligations:

(Rs. in Crores)

	2013-14	2012-13
Fair value of plan assets	Nil	Nil
Present value of obligation	16.52	14.23
Difference	16.52	14.23
Unrecognized past service cost – non-vested benefits	Nil	Nil
Amount recognized in Balance Sheet	16.52	14.23

Expense recognized during the year:

Current Service Cost	0.77	0.73
Interest Cost	1.09	0.97
Expected return on plan assets	Nil	Nil
Actuarial loss	1.62	0.87
Past service cost - non-vested benefits	Nil	Nil
Past service cost - vested benefits	Nil	Nil
Net Cost	3.48	2.57

Investment Details as on 31-03-2014:

GOI Securities	Nil	Nil
State Government Securities	Nil	Nil
High Quality Corporate Bonds	Nil	Nil
Funds with LIC	Nil	Nil
Bank balance	Nil	Nil
Total	Nil	Nil

Actuarial assumptions:

LIC 1996-98 Ultimate Table applied for service mortality rate	Yes	Yes
Discount rate p.a	9%	8%
Expected rate of return on plan assets p.a	Nil	Nil
Rate of escalation in salary p.a	3.50%	3.50%

44. a) The lease rentals recognised on non-cancellable operating lease of aircraft on Joint venture basis in the statement of profit and loss grouped under the head Travelling expenses are as detailed below:

Lease Payments	1.42	0.75
Contingent rent (Usage Charges)	1.20	0.67

- b) Operating Lease obligations payable for future periods from the Balance sheet date:

Not Later than one year	1.15	1.42
Later than one year and not later than five years	2.50	3.65
Later than five years	0.00	0.00

THE RAMCO CEMENTS LIMITED

45. The Segment Information for the year ended 31st March, 2014 is detailed below:

	Cement		Power from Windmills		(Rs. in Crores)	
	2013-14	2012-13	2013-14	2012-13	Total	2012-13
REVENUE						
Total Sales	3615.27	3743.72	83.82	109.58	3699.09	3853.30
Less : Inter Segment Sale			15.58	22.50	15.58	22.50
External Sales (Net)	3615.27	3743.72	68.24	87.08	3683.51	3830.80
Other income	48.13	26.75	23.77	0.00	71.90	26.75
Total Revenue	3663.40	3770.47	92.01	87.08	3755.41	3857.55
RESULT						
Segment Result	420.67	880.09	41.23	21.97	461.90	902.06
Unallocated Income					7.55	7.79
Unallocated Expenses					133.25	150.45
Operating Profit					336.20	759.40
Interest Expense					188.13	178.51
Interest Income					6.27	7.32
Income tax – Current					-4.37	117.38
– Deferred					21.01	67.18
Net Profit					137.70	403.65
OTHER INFORMATION						
Segment Assets	5580.45	5225.66	553.58	641.22	6134.03	5866.88
Unallocated Assets					734.53	604.50
Total Assets					6868.56	6471.38
Segment Liabilities	1081.03	1067.12	4.00	0.50	1085.03	1067.62
Unallocated Liabilities					3301.45	3033.00
Total Liabilities					4386.48	4100.62
Capital Expenditure	532.57	355.36	1.28	0.12	533.85	355.48
Unallocated Capital Expenditure					36.03	46.46
Depreciation	251.19	226.28	41.15	44.51	292.34	270.79
Unallocated Depreciation					13.95	9.79

46. Earnings per Share:

	(Rs. in Crores)	
Particulars	2013-14	2012-13
Net profit after tax (A)	137.70	403.65
Adjusted Weighted average number of Equity shares including unallotted Bonus shares (in crores) (B)	23.83	23.83
Nominal value per equity share in Rs.	1	1
Basic & Diluted earnings per share (A)/(B) in Rs.	6	17



47. Related party transactions for the year & previous year figures in bracket are furnished below:

Key Managerial personnel:

P.R.Ramasubrahmaneya Rajha, Chairman & Managing Director

A.V.Dharmakrishnan, Chief Executive Officer

K. Selvanayagam, Company Secretary

Relative of Key Managerial personnel:

P.R.Venketrama Raja, Director, Son of P.R.Ramasubrahmaneya Rajha

Enterprises over which the above persons exercise significant influence and with which the company had transactions during the year:

a) Companies

Rajapalayam Mills Limited

The Ramaraju Surgical Cotton Mills Ltd.

Ramco Industries Limited

Sri Vishnu Shankar Mill Ltd.

Ramco Systems Limited

Sandhya Spinning Mill Ltd.

Thanjavur Spinning Mill Limited

Sri Harini Textiles Limited

Rajapalayam Spinners Ltd.

Ontime Industrial Services Limited

Sudharsanam Investments Limited

Ramco Management Private Ltd.

b) Subsidiary Company:

Ramco Windfarms Limited

c) Public Trusts:

Smt.Lingammal Ramaraju Shastra Prathishta Trust

PACR Sethurammam Charity Trust

Ramco Welfare Trust

PACR Sethurammam Charities

Raja Charity Trust

PAC Ramasamy Raja Education Charity Trust

The Ramco Cements Limited Educational
and Charitable Trust

The Company's transactions with the above related parties that are reportable in Rupees in crores with two decimals are summarised below:

a) *Amounts paid to Key Managerial Personnel:*

Name of the Related Party	Amount	Nature of payment
P.R.Ramasubrahmaneya Rajha	8.12 (30.96)	Managerial Remuneration
	0.73 (0.42)	Interest accrued/paid
P.R.Venketrama Raja	0.02 (0.01)	Sitting fees
	0.01 (0.01)	Rent
A.V.Dharmakrishnan (HUF)	0.07 (0.01)	Rent

b) *Investments held jointly:* The details are provided under Note No.36

c) *Inter Corporate Deposits given:*

Name of the Related Party	Maximum outstanding during the Year	Interest @ 12% p.a	Outstanding as on 31-03-2014
Ramco Systems Limited	51.00 (68.25)	2.51 (3.26)	Nil (13.75)

THE RAMCO CEMENTS LIMITED

d) Goods Sold:

i) Sale of Cement:

Name of the Related Party	Value	Receivable as on 31-03-2014
Rajapalayam Mills Limited	0.15 (0.12)	Nil (Nil)
Ramco Industries Limited	30.14 (54.02)	Nil (0.19)
Sandhya Spinning Mill Ltd.	0.01 (0.01)	Nil (Nil)
Sri Vishnu Shankar Mill Ltd.	0.02 (0.03)	Nil (Nil)
Thanjavur Spinning Mill Limited	0.06 (0.02)	Nil (Nil)
Sri Harini Textiles Limited	0.00 (0.03)	Nil (Nil)
The Ramaraju Surgical Cotton Mills Ltd.	0.23 (0.14)	Nil (Nil)
Raja Charity Trust	1.36 (1.11)	0.18 (0.04)
PAC Ramasamy Raja Education Charity Trust	0.08 (0.13)	Nil (0.00)

ii) Sale of Electrical Energy:

Thanjavur Spinning Mill Limited	2.85 (2.61)	Nil (Nil)
The Ramaraju Surgical Cotton Mills Ltd	0.98 (0.61)	Nil (Nil)
Sri Vishnu Shankar Mill Ltd.	2.89 (2.62)	Nil (Nil)
Rajapalayam Mills Ltd.	5.73 (3.48)	Nil (Nil)
Sandhya Spinning Mill Ltd.	2.46 (1.31)	Nil (Nil)
Ramco Industries Limited	1.20 (1.17)	Nil (Nil)

iii) Sale of Fly ash:

Ramco Industries Limited	0.21 (0.33)	Nil (Nil)
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e) Goods & Services Purchased / Availed:

Name of the Related Party	Value of Goods / Services	Outstanding as on 31-03-2014	Nature of goods / services
Ramco Industries Limited	0.53 (0.43)	Nil (Nil)	Fiber sheets & silicate boards
Ramco Systems Limited	22.19 (50.51)	0.15 (0.01)	Software and software related services. Rs.0.15 Crores remain unadjusted advance
Name of the Related Party	Value of Goods / Services	Outstanding as on 31-03-2014	Nature of goods / services
Smt.Lingammal Ramaraju Shastra Prathishta Trust	3.33 (1.37)	1.44 (0.76)	Diesel & Petrol. Rs.1.44 Crores remain unadjusted advance.
PACR Sethurammam Charity Trust	5.81 (1.51)	0.70 (0.70)	Diesel, Petrol, Tyres & Lube oil. Rs.0.70 Crores remain unadjusted advance.
Ramco Welfare Trust	6.12 (1.37)	0.28 (0.97)	Diesel, Petrol & Lube oil. Rs.0.28 Crores remain unadjusted advance



PACR Sethurammam Charities	0.57 (0.60)	Nil (0.39)	Diesel & Petrol.
Ontime Industrial Services Limited	105.86 (81.06)	4.04 (8.10)	Services of Transport of cement availed. Rs.4.04 crores remains unadjusted advance.
	3.14 (0.23)	Nil (Nil)	Manpower supply services availed.

f) *Corporate Guarantee Given:*

Beneficiary	Bank Name	Guarantee Amount
Thanjavur Spinning Mill Limited	Axis Bank Ltd	35.00 (10.00)
	Tamilnad Mercantile Bank Ltd	48.00 (48.00)
Ramco Systems Limited	ING Vysya Bank	82.00 (Nil)
	ICICI Bank	100.00 (45.00)
	Kotak Mahindra Bank Ltd	50.00 (50.00)
	Indusind Bank	25.00 (50.00)
	Karur Vysya Bank	25.00 (15.00)
	Aditya Birla Finance Ltd	18.00 (18.00)
	TATA Capital Financial Services Ltd	25.00 (15.00)
	IDBI Bank	Nil (30.00)
	L & T Finance Ltd	Nil (10.00)
Sandhya Spinning Mill Ltd.	Indian Bank	59.38 (59.38)
Raja Charity Trust	Indian Overseas Bank	70.00 (Nil)
	Pandyan Grama Bank	30.00 (Nil)

g) *Rent Receipts:*

Name of the Related Party	Rent receipts	Outstanding as on 31-03-2014
Ramco Systems Limited	7.97 (7.97)	Nil (Nil)

h) *Amount received by virtue of joint ownership of shares of APGPCL:*

Name of the Related Party	Amount	Receivable as on 31-03-2014
Rajapalayam Mills Ltd.	0.04 (0.03)	Nil (Nil)
The Ramaraju Surgical Cotton Mills Ltd.	0.03 (0.03)	Nil (Nil)
Sri Vishnu Shankar Mill Ltd.	0.04 (0.03)	Nil (Nil)
Sandhya Spinning Mill Ltd.	0.04 (0.03)	Nil (Nil)
Sri Harini Textiles Limited	0.03 (0.03)	Nil (Nil)

i) *Assets held jointly:*

1) *Owned Aircraft:*

Name of the Related Party	Share of joint ownership in Aircraft
Ramco Industries Limited	16.67% (16.67%)

2) *Aircraft on Operating Lease:*

Name of the Related Party	Share of joint interest in Aircraft
Ramco Industries Limited	16.67% (16.67%)

THE RAMCO CEMENTS LIMITED

j) Donations Given:

Name of the Related Party	Purpose	Donations given
Raja Charity Trust	For establishment of an Engineering college viz., Ramco Institute of Technology	12.08 (24.50)
The Ramco Cements Limited Educational and Charitable Trust	For running of school education	0.02 (0.03)

k) Purchase of Fixed Assets:

Name of the Related Party	Value	Particulars
The Ramaraju Surgical Cotton Mills Ltd.	9.34 (Nil)	Land admeasuring 9,725 sq.ft with superstructure of 2,000 sq.ft. at T.S.No.14/6, Block No.9 in Velachery Road, Adyar, Chennai

l) Sale of Fixed Assets:

Name of the Related Party	Value	Particulars
Ramco Windfarms Limited	31.39 (Nil)	Sale of wind electric generators with an aggregate capacity of 33.23 MW at fair market value. The entire amount is due to be received.

m) Investments in Subsidiary Company:

Name of the Related Party	Value	Particulars
Ramco Windfarms Limited	0.71 (Nil)	71,50,000 equity shares of Rs.1/- each fully paid up.

n) Operating Lease of Land Given:

Name of the Related Party	Lease rent received	Particulars
Ramco Windfarms Limited	Nil (Nil)	Land admeasuring 638 acres for a period of 25 years from 01-04-2014 for an annual rent of Rs.1,000/- per acre for wind mills.

o) Operating Lease of Land Taken:

Name of the Related Party	Lease rent paid	Particulars
Raja Charity Trust	0.00 (Nil)	Land admeasuring 23.445 acres for a period of 30 years from 01-12-2012 for an annual rent of Rs.1,000/- per acre for construction of hostel for students studying in Ramco Institute of Technology.



p) *Loan Given:*

Name of the Related Party	Maximum outstanding during the Year	Interest received @ 11% p.a	Outstanding as on 31-03-2014
Raja Charity Trust	11.00 (Nil)	0.20 (Nil)	Nil (Nil)

q) *Advances recoverable from Trust:*

Name of the Related Party	Receivable as on 31-03-2014
The Ramco Cements Limited Educational and Charitable Trust	1.04 (0.77)

r) *Rent Payments:*

Name of the Related Party	Rent paid	Outstanding as on 31-03-2014
Rajapalayam Mills Limited	0.01 (0.01)	Nil (Nil)

s) *Dividend Received:*

Name of the Related Party	Cost of investment in Equity shares as on 31-03-2014	Dividend received
Rajapalayam Mills Limited	8.12 (8.12)	0.44 (0.44)
Ramco Industries Limited	20.54 (20.54)	0.27 (1.47)
Sri Vishnu Shankar Mill Ltd.	0.01 (0.01)	0.00 (Nil)
Ramco Systems Limited	36.91 (36.91)	Nil (Nil)
Ramco Windfarms Limited	0.72 (Nil)	Nil (Nil)

t) *Dividend Paid:*

Name of the Related Party	Dividend paid
Rajapalayam Mills Limited	3.29 (8.23)
Ramco Industries Limited	4.93 (12.33)
Sri Vishnu Shankar Mill Ltd.	0.39 (0.97)
The Ramaraju Surgical Cotton Mills Ltd.	0.36 (0.91)
Sudharsanam Investments Limited	0.30 (0.75)
Ramco Management Private Ltd.	0.05 (0.12)

THE RAMCO CEMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of M/s The Ramco Cements Limited

We have audited the accompanying consolidated financial statements of M/s. The Ramco Cements Limited ("the Company") and subsidiary, which comprise the Consolidated Balance Sheet as at 31st March 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note No 28.13 regarding imposing of penalty of Rs.258.63 Crores on the company by the Competition Commission of India for alleged cartelisation with select cement manufacturers. The Company has filed an appeal against the order before Competition Appellate Tribunal. Based on the legal opinion, the company has not considered any provision as necessary. Our opinion is not qualified in respect of this matter.

For M/s M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No.: 001208S

SANTHANAM P
Partner
Membership No.: 018697

Chennai
22nd May, 2014

For M/s. CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No.: 004915S

C.N.GANGADARAN
Partner
Membership No.: 011205

THE RAMCO CEMENTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014

		Rs. In Crores
		As at 31-03-2014
EQUITY & LIABILITIES	Notes	
Shareholders' Funds		
Share Capital	3	23.80
Reserves and Surplus	4	2,435.13
		2,458.93
Minority Interest	4 (a)	0.22
Non Current Liabilities		
Long Term Borrowings	5	1,520.35
Deferred Tax Liabilities (net)	6	737.26
Other Long Term Liabilities	7	383.47
Long Term Provisions	8	40.61
		2,681.69
Current Liabilities		
Short Term Borrowings	9	723.62
Trade Payables		187.64
Other Current Liabilities	10	729.18
Short Term Provisions	11	64.22
		1,704.66
Total		6,845.50
ASSETS		
Non-Current Assets		
Fixed Assets	12	
Tangible Assets		4,530.17
Intangible Assets		119.16
Capital Work in Progress		349.52
Intangible Assets Under Development		4.72
Non Current Investments	13	282.69
Long term Loans and Advances	14	338.68
Other Non Current Assets	15	1.62
		5,626.56
Current Assets		
Inventories	16	685.53
Trade Receivables	17	303.96
Cash and Bank Balances	18	45.40
Short Term Loans and Advances	19	175.20
Other Current Assets	20	8.85
		1,218.94
Total		6,845.50

See accompanying notes to the financial statements

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S
C.N.GANGADARAN
Partner
Membership No. 11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

P.R.VENKETRAMA RAJA
R.S.AGARWAL
M.B.N.RAO
M.M.VENKATACHALAM
Directors

Chennai
22-05-2014



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE
YEAR ENDED 31ST MARCH 2014**

		Rs. In Crores
	Notes	2013-14
REVENUE		
Revenue from Operations	21	3,683.52
Other Income	22	63.29
Total Revenue		3,746.81
EXPENSES		
Cost of Materials Consumed	23	669.86
Changes in Inventories of Finished Goods and Work-in-progress	24	19.80
Employee Benefit Expenses	25	221.83
Finance Costs	26	188.13
Depreciation and Amortization Expenses	12 & 13	306.43
Other Expenses	27	2,209.75
Total Expenses		3,615.80
Profit Before Tax		131.01
Tax Expenses		
Current Tax		32.30
MAT Credit Recognition for Current year		(22.03)
MAT Credit Recognition for Previous year		(14.64)
Net Current tax expenses / (benefit)		(4.37)
Deferred Tax		20.90
Total Tax Expenses		16.53
Profit for the year before Minority Interest		114.48
Minority Interest		(0.07)
Profit for the year		114.55
Earnings Per equity share of face value of Rs.1/- each	46	
Basic and Diluted in Rupees		5
See accompanying notes to the financial statements		

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

Chennai
22-05-2014

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S
C.N.GANGADARAN
Partner
Membership No. 11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

P.R.VENKETRAMA RAJA
R.S.AGARWAL
M.B.N.RAO
M.M.VENKATACHALAM
Directors

THE RAMCO CEMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Rs. in Crores)

	2013-14
Cash flow from operating activities	
Net profit, before tax and extraordinary items	131.01
Adjustments for:	
(Profit)/Loss on sale of assets	(22.43)
Loss on sale of investments	0.01
Depreciation	306.43
Impairment Loss on assets	0.54
Dividend Received & Re-invested	(0.01)
Provision for Leave Encashment	2.29
Amortised Premium on Forward Contract	7.10
Interest & Dividend received	(7.03)
Rent Receipt	(7.29)
Interest paid	178.06
Reversal of Provision for diminution in value of investment	(0.03)
Exchange Difference on Forex Transactions	2.97
Amortisation of Intangible Assets	9.58
Operating profit before working capital changes	601.20
Adjustments for:	
Trade and other receivables	(62.39)
Earmarked Balances with Banks	(0.23)
Inventories	(90.78)
Trade payables	76.22
Cash generated from operations	524.02
Direct Taxes paid	(37.73)
Net cash from operating activities	486.29
	A
Cash flow from investing activities	
Purchase of fixed assets	(578.29)
Sale of fixed assets	32.00
Interest & Dividend received	7.03
Purchase of Investments	(18.24)
Rent Receipt from investment property	7.29
Sale of Investments	0.50
Capital Subsidy Received	1.50
Net cash used in investing activities	(548.21)
	B



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)
(Rs. in Crores)

Cash flow from financing activities

Proceeds from issue of equity shares		0.29
Proceeds from long term borrowings		841.50
Proceeds from short term borrowings		2,169.75
Repayment of long term borrowings		(715.29)
Repayment of short term borrowings		(2,037.18)
Payment of dividend and tax thereon		(27.88)
Interest paid		(178.06)

Net cash from financing activities	C	53.13
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Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(8.79)
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Opening balance of cash and cash equivalents	D	49.68
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Closing balance of cash and cash equivalents	E	40.89
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Net increase / (decrease) in cash and cash equivalents	(E-D)	(8.79)
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Earmarked Balances with Banks	F	4.51
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Closing cash and Bank Balances	(E+F)	45.40
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See accompanying notes to the financial statements

As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S
C.N.GANGADARAN
Partner
Membership No. 11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

P.R.VENKETRAMA RAJA
R.S.AGARWAL
M.B.N.RAO
M.M.VENKATACHALAM
Directors

Chennai
22-05-2014

THE RAMCO CEMENTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS:

1. Corporate Information

The Ramco Cements Limited, formerly known as Madras Cements Ltd, is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act. Its shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited, and National Stock Exchange of India Limited. The Company is engaged in manufacturing of Cement, Ready-mix concrete and Dry Mortar products. The company caters mainly to the domestic markets. The company is also engaged in sale of surplus electricity generated from its windmills and thermal power plants after meeting its captive requirements.

2. Significant Accounting Policies:

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

- 2.1.1. The Consolidated Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards notified under section 211(3C) of the Companies Act, 1956, which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable, as adopted consistently by the Company.
- 2.1.2 The Consolidated Financial Statements comprise the financial statements of "The Ramco Cements Limited", and its Subsidiary, "Ramco Windfarms Limited".
- 2.1.3 "The Ramco Cements Limited", the Parent Company, is holding 71.50% in equity share capital of its subsidiary, which is considered for consolidation.
- 2.1.4 The Consolidated Financial Statements are presented in Indian Rupees and the amounts are rounded to the nearest Crores with two decimals, except as stated otherwise.
- 2.1.5 The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- 2.1.6 The company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 2.1.7 The previous year figures have not been presented for the purpose of comparison since the current financial year being the first year of consolidation.

2.2 Principles of Consolidation

- 2.2.1 The subsidiary company considered for consolidation is incorporated in India and its financial statements are drawn up to the same reporting date as that of the parent company i.e. 31st March 2014.
- 2.2.2 The Consolidated Financial Statements of the parent company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after elimination of intra-group balances and intra-group transactions resulting in unrealized Profits/Losses.
- 2.2.3 The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the parent company's standalone financial statements.
- 2.2.4 Minority interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the parent company's shareholders.

Minority interest in the net assets of consolidated subsidiary consists of:

- a) The amount of subscribed equity share capital attributable to minority shareholders during the year.



- b) The minority share of movement in equity since the date the parent subsidiary relationship came into existence.

2.3 Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

2.4 Tangible Fixed Assets

- 2.4.1. Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT / VAT wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- 2.4.2 The cost of lands acquired under lease, other than the cost of development and extraction of mineral rights, are amortised equally over the lease period and such amount is included in Depreciation.
- 2.4.3 Depreciation has been provided on straight-line basis at the rates specified as per Schedule XIV to the Companies Act, 1956, prevailing at the time of acquisition of the asset.
- 2.4.4 Gains or losses arising from disposal of fixed assets, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the statement of profit and loss.

2.5 Intangible Assets

- 2.5.1 The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- 2.5.2 Costs incurred to secure right to extract mineral reserves are capitalised. Since extractions of mineral reserves are excluded by the relevant accounting standard, amortisation does not arise.
- 2.5.3 Costs incurred for development and reclamation of mines are capitalised and amortised over the expected beneficial period, not exceeding five years. The amortised expenditure is included under "Cost of materials consumed."
- 2.5.4 Costs incurred for installation of fly ash handling equipments to secure right to extract fly ash in Thermal power stations which are expected to yield enduring benefits are capitalised and amortised over the expected beneficial period, not exceeding five years. The amortised expenditure is included under "Cost of materials consumed."
- 2.5.5 Costs incurred for establishing power transmission system for Tamil Nadu Electricity Board to secure right to use the said system to evacuate power from the company's thermal power plant which are expected to yield enduring benefits are capitalised and amortised over the expected beneficial period, not exceeding five years. The amortised expenditure is accounted under "Profit on Sale of Power from TPP."

THE RAMCO CEMENTS LIMITED

2.6 Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

2.7 Investments

2.7.1 All investments being non-current and non-trade are valued at cost.

2.7.2 The carrying amount of long term investments is determined on an individual investment basis.

2.7.3 As at the balance sheet date, provision for diminution is made to recognise the decline other than temporary, in the value of investments. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is a rise in the value of investment other than temporary.

2.8 Investment Properties

2.8.1 An investment in land or buildings, which are not intended to be occupied substantially for use by, or in the operations of, the company, are classified as investment properties.

2.8.2 Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

2.8.3 Depreciation on buildings under investment properties are calculated on straight-line basis using the rate prescribed under Schedule XIV to the Companies Act, 1956.

2.8.4 Gains or losses arising from disposal of investment properties, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the statement of profit and loss.

2.9 Inventories

2.9.1 Raw materials, Components, Stores & spares, coal, packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition or net realizable value whichever is lower.

2.9.2 Process Stock is valued at weighted average cost, including the cost of conversion with systematic allocation of production and administration overheads.

2.9.3 Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition including excise duty.

2.10 Revenue Recognition

2.10.1 Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

2.10.2 Revenue from operations for sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. It excludes Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST, trade discounts, rebates and returns.

2.10.3 Industrial promotion assistance (IPA) is recognised when the company's right to receive the same is established with reasonable certainty.

2.10.4 Dividend income is recognised when the company's right to receive dividend is established.

2.10.5. Scrap sales does not include Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST.



2.10.6 Interest income and Rental income are recognised on time proportion basis.

2.10.7 Profit on sale of Power from TPP, arising out of sale of surplus electricity generated from its thermal power plants after meeting its captive requirements, is recognised net off expenses attributable to it.

2.10.8 Income from Wind Mills:

a. Under Power purchase agreement:

Units generated from windmills are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is included in Value of power generated from wind mills.

b. Under wheeling and banking arrangement:

The monetary value of the power generated at wind farms that are consumed at factories of the parent company are not recognised as revenue because it is inter-divisional transfer except in case of consumption of electricity by the shareholders of the subsidiary.

2.11 Employee Benefits

2.11.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

2.11.2 Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the statement of profit and loss for the year in which the employees have rendered services.

2.11.3 The company contributes monthly to Employees' Provident Fund and Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary.

2.11.4 The company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto Rs.1 Lac per annum is remitted to "The Ramco Cements Limited Officers' Superannuation Fund" administered by trustees and managed by LIC of India. The balance amount, if any, is either remitted to National pension system (NPS) subject to applicable ceiling or paid as salary at the option of employees. There are no other obligations other than the above defined contribution plans.

2.11.5 The Company has its own Defined Benefit plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 day's basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The company makes annual contributions to "The Ramco Cements Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

2.11.6 The company has a policy of providing encashment of unavailed leave to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using projected unit credit method.

2.12 Provisions, Contingent Liabilities and Contingent Assets

2.12.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

2.12.2 Unprovided contingent liabilities are disclosed in the financial statements. Contingent Assets are not recognised.

THE RAMCO CEMENTS LIMITED

2.13 Research & Development Expenditure

Expenditure on Research & Development of revenue nature incurred by the Company is charged to statement of Profit & Loss under the respective revenue heads, while those of capital nature are treated as fixed assets, under the respective asset heads.

2.14 Borrowing Costs

2.14.1 Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of those assets.

2.14.2 All other borrowing costs are charged to revenue.

2.15 Foreign Currency Transactions

2.15.1 All transactions in foreign currency are initially recognised at the exchange rates prevailing on that date.

2.15.2 Monetary assets and liabilities in foreign currencies outstanding at the year end are translated at the rates prevailing on Balance sheet date and the resultant gains or losses are recognised during the year.

2.15.3 In respect of forward exchange contracts to hedge currency risks, the difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense amortized over the life of the contract.

2.15.4 The Exchange differences arising on such contracts as on Balance sheet date are recognised as income or expenses along with the exchange differences of the underlying assets and liabilities.

2.16 Earnings per Share

Net profit after tax is divided by the weighted average number of equity shares including unallotted Bonus shares outstanding during the year.

2.17 Government Grants

2.17.1 Revenue related grants are recognised on accrual basis wherever there is reasonable certainty and are disclosed under other operating income.

2.17.2 Receivables of such grants are shown under Loans and advances.

2.17.3 Capital related grant is accounted as "Capital Subsidy" under Reserves and Surplus upon fulfilment of conditions attached thereto and is not adjusted against Fixed Assets.

2.18 Income Tax

2.18.1 The current tax liability is recognised at the applicable tax rates in accordance with the Income tax Act, 1961.

2.18.2 The deferred tax liability is recognised based on the accumulated timing difference using the tax rate that have been enacted or substantially enacted by the balance sheet date.

2.18.3 The deferred tax assets are recognised and reviewed at each balance sheet date, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.18.4 Minimum Alternate Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal Income tax during the specified period. When the MAT credit becomes eligible to be recognised as an Asset viz., "MAT credit entitlement", the same is created by way of credit to the Statement of Profit and loss and shown as "MAT credit Recognition".



- 2.18.5 The company reviews the MAT credit at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the company will pay normal Income tax during the specified period.

2.19 Segment Reporting

- 2.19.1 The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- 2.19.2 The company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Cement and Power generation from Windmills.
- 2.19.3 Segments were identified considering the nature of the products, the differing risks and returns. The inter-segment transfers of units of power from windmills are recognised at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.
- 2.19.4 The company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.
- 2.19.5 Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general corporate income and expenses which are not allocated to any business segment.

2.20 Leases

- 2.20.1 Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognised as operating lease.
- 2.20.2 Operating lease receipts / payments are recognised in the statement of profit and loss on accrual basis as per the lease terms and other considerations.

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 3

SHARE CAPITAL

Authorised

25,00,00,000 Equity Shares of Rs.1/- each
(PY: 25,00,00,000 Equity Shares of Rs.1/- each)

As at
31-03-2014

25.00

Issued, Subscribed and Fully paid-up

23,79,69,380 Equity Shares of Rs.1/- each
(PY: 23,79,69,380 Equity Shares of Rs.1/- each)

23.80

Note: 3,41,000 bonus shares of Rs.1/- each (PY: 3,41,000 bonus shares of Rs.1/- each) remain unallotted pending completion of required formalities.

Reconciliation of the number of shares outstanding:

Number of equity shares outstanding at the beginning of the year

23,79,69,380

Equity shares issued during the year

—

Equity shares bought back during the year

—

Number of Equity shares outstanding at the end of the year

23,79,69,380

Details of Shareholders holding more than 5 percent in the Company:

Ramco Industries Limited

No. of Shares % of holding

4,93,12,420 20.72

Rajapalayam Mills Limited

3,29,05,000 13.83

Aberdeen Global - Asian Smaller Companies Fund

1,42,94,113 6.01

Aggregate number of equity shares of Rs.1/- each allotted as fully paid up by way of Bonus Shares during the period of Five years immediately preceding the reporting date

11,89,84,690

Aggregate number of equity shares of Rs.1/- each bought back during the period of Five years immediately preceding the reporting date

43,000



NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 4

RESERVES AND SURPLUS:

Capital Redemption Reserve	1.38
Capital Subsidy	1.50
General Reserve:	
Balance as per last financial statement	2,255.27
Add: Balance transferred from surplus balance in the statement of profit and loss	100.13

Closing Balance

2355.40

Surplus/(Deficit) in the statement of profit and loss:

Balance as per last financial statement	90.31
Profit for the year	114.55
Balance available for appropriations	204.86
Less: Appropriations:	
Proposed Equity Dividend (Amount per share Rs.1/-)	23.83
Tax on proposed Equity Dividend	4.05
Transfer to General reserve	100.13
Total Appropriations	128.01
Net surplus in the statement of profit and loss	76.85
Total	2,435.13

NOTE 4 (a)

MINORITY INTEREST:

Minority share of Capital in Subsidiary	0.29
Minority share of Profit/ (Loss) in Subsidiary	(0.07)
Minority Interest Total	0.22

NOTE 5

LONG TERM BORROWINGS :

Secured

Term Loan from Banks	1,001.89
Soft Loan from Government	80.75
Sub Total	1,082.64

Unsecured

Interest Free Sales Tax loan	437.71
Sub Total	437.71
Total	1,520.35

1. Term loans from banks and Soft Loan from Government are secured by pari-passu charges on fixed assets.
2. Maturity profiles of term loan from banks, Soft Loan from Government and Interest Free Sales Tax loans are furnished in Disclosures Forming Part of Financial Statements vide Note No. 30

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 6

DEFERRED TAX LIABILITIES (NET)

Deferred Tax Asset

Tax impact on unabsorbed depreciation in subsidiary

(0.73)

Tax impact on carry forward loss in subsidiary

(0.06)

Tax effect of provision for leave encashment

(5.36)

Tax effect of provision for bad and doubtful debts

(3.33)

(9.48)

Deferred Tax Liability

Tax impact on difference between book depreciation and depreciation under the Income Tax Act, 1961

743.66

Tax impact of amortization of intangible assets

3.08

746.74

Deferred Tax Liabilities (net)

737.26

NOTE 7

OTHER LONG TERM LIABILITIES:

Trade Payables

42.75

Security deposits from customers

340.72

Total

383.47

NOTE 8

LONG TERM PROVISIONS:

Provision for leave encashment

12.48

Provision for taxation

28.13

Total

40.61



NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 9

SHORT TERM BORROWINGS:

Secured

Term loans from banks	175.00
Foreign currency loans from banks (Buyers Credit)	157.87
Rupee loans from banks	234.81

Sub Total (#)

567.68

Unsecured

Loans Repayable on Demand

Loan from Directors	8.84
Fixed Deposits	1.74

Other Loans and Advances

Loan from banks	29.15
Foreign currency loans from banks (Buyers Credit)	116.21

Sub Total

155.94

Total

723.62

(#) Secured by hypothecation of current assets

NOTE 10

OTHER CURRENT LIABILITIES:

Current maturities of Long Term loan	684.83
Interest accrued but not due	4.26
Unclaimed dividends	4.23
Disputed Dividend	0.46
Customers' balance	29.79
Statutory duties and taxes recovery payable	5.29
Recovery from employees payable	0.32

Total

729.18

NOTE 11

SHORT TERM PROVISIONS:

Provision for leave encashment	4.04
Provision for taxation	32.30
Proposed Dividend (including tax)	27.88

Total

64.22

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE 12

FIXED ASSETS

(Rs. in Crores)

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	As at the beginning of the year	Additions	Deductions / adjustments	As at the end of the year	As at the beginning of the year	For the year	Deductions / adjustments	As at the end of the year	As at 31-3-2014
TANGIBLE ASSETS									
Own assets									
Land	342.30	54.95	–	397.25	–	–	–	–	397.25
Buildings	484.01	84.02	–	568.03	58.85	12.65	–	71.50	496.53
Plant & Equipments	5229.02	147.87	115.21	5261.68	1630.63	264.72	108.08	1787.27	3474.41
Railway Siding	56.91	10.95	–	67.86	17.93	2.58	–	20.51	47.35
Workshop, Quarry Equipments etc.,	44.19	3.00	0.81	46.38	22.94	3.88	0.58	26.24	20.14
Research & Development Equipments	66.87	–	–	66.87	45.22	4.59	–	49.81	17.06
Furniture & Fixtures	25.28	9.52	0.55	34.25	10.23	1.84	0.30	11.77	22.48
Office Equipments	31.98	7.76	0.49	39.25	16.58	2.77	0.37	18.98	20.27
Vehicles	20.03	3.64	0.93	22.74	7.40	1.93	0.42	8.91	13.83
Aircraft in Joint Venture (a)	3.61	–	–	3.61	0.47	0.20	–	0.67	2.94
Leased assets									
Land	19.99	–	1.42	18.57	0.54	0.15	0.03	0.66	17.91
Total - Tangible Assets - 2013-14	6324.19	321.71	119.41	6526.49	1810.79	295.31	109.78	1996.32	4530.17
INTANGIBLE ASSETS									
Mining rights	13.55	–	–	13.55	–	–	–	–	13.55
Mine development & reclamation (b)	21.50	39.75	–	61.25	7.34	5.87	–	13.21	48.04
Fly ash collection rights (b)	3.08	–	–	3.08	1.55	1.53	–	3.08	–
Computer software	64.17	13.14	10.80	66.51	18.41	10.27	10.25	18.43	48.08
Power Transmission system (c)	6.44	6.52	–	12.96	1.29	2.18	–	3.47	9.49
Total - Intangible Assets - 2013-14	108.74	59.41	10.80	157.35	28.59	19.85	10.25	38.19	119.16
INTANGIBLE ASSETS UNDER DEVELOPMENT									
Mine development	7.36	2.28	4.92	4.72	–	–	–	–	4.72
Computer software	1.68	–	1.68	–	–	–	–	–	–
Total - Intangible Assets under Development - 2013-14	9.04	2.28	6.60	4.72	–	–	–	–	4.72
CAPITAL WORK IN PROGRESS - 2013-14	147.96	569.88	368.32	349.52					349.52

(a) The company owns 1/6 share in aircraft as joint ownership.

(b) Amortization of Mine development & reclamation / Fly ash collection rights are included in "Cost of materials consumed."

(c) Amortization of Power transmission system is adjusted in "Profit on sale of power from TPP."

Note: The Depreciation amortisation amount of Rs.306.43 crores as per Statement of Profit and loss account consist of the following: Tangible Fixed Assets: Rs.295.31 crores; Computer Software: Rs.10.27 crores; Investment Property (Note -13): Rs.0.85 crores.



NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 13

NON-CURRENT INVESTMENTS

Investment property

Land

Building

Building given on operating lease

Gross Block

Less: Accumulated depreciation as at the beginning of the year

Depreciation for the year

Net Block

Total Investment property

Non trade investments (valued at cost)

Unquoted equity instruments

AP Gas Power Corporation Ltd.

(16,08,000 equity shares of Rs.10/- each fully paid up)

Sri Vishnu Shankar Mill Ltd.

(2,100 shares including 1,050 bonus shares of Rs.10/- each fully paid up)

Chettinad Cement Corporation Ltd. (100 shares including 50 bonus shares of Rs.10/- each fully paid up)

Other Investments - Unquoted

The Madras Cements Employees' Co-operative Stores Ltd.

(250 shares of Rs.10/- fully paid up)

Total Unquoted Instruments

Quoted equity instruments

Ramco Industries Ltd. (1,33,72,500 shares including 92,06,250 bonus shares of Rs.1/- each fully paid up)

Ramco Systems Ltd. (21,17,810 shares including 4,84,000 shares allotted pursuant to scheme of

Demerger of Ramco Systems Ltd. Rs.10/-each fully paid up)

Associated Cements Company Ltd. (103 shares including 4 bonus shares of Rs.10/- each fully paid up)

India Cements Ltd. (58 shares including 29 bonus shares of Rs.10/- each fully paid up)

Andhra Cements Ltd. (111 Shares of Rs.10/- each fully paid up)

Heidelberg Cements India Ltd. (170 shares including 20 bonus shares of Rs.10/- each fully paid up)

Rajapalayam Mills Ltd. (7,25,600 shares including 3,69,200 bonus shares of Rs.10/- each fully paid up)

Housing Development Finance Corporation Ltd. (17,400 shares including 8,700 bonus shares of Rs.2/- each fully paid up)

HDFC Bank Ltd. (2,500 shares of Rs.2/- each fully paid up)

Indbank Merchant Banking Services Ltd. (50,000 shares of Rs.10/- each fully paid up)

Tamil Nadu News print & Papers Ltd. (22,700 shares of Rs.10/- each fully paid up)

Indian Bank (2,792 shares of Rs.10/- each fully paid up)

Industrial Development Bank of India Ltd. (14,240 shares including 5,340 bonus shares of Rs.10/- each fully paid up)

Sub Total

Provision for "other than temporary diminution" in the value

Total

Investments in Debentures/ Bonds

12.4% Government of India Loans Bond (Face value Rs.50,00,000)

Investments in mutual funds

HDFC Balance Fund (1,27,843 units of Rs.10/- each)

Total Quoted Instruments

Market Value

Aggregate Value of Investments (A+B+C)

Face Value As at 31-03-2014

Face Value	As at 31-03-2014
	137.57
	0.66
	60.76
	61.42
	3.73
	0.85
	56.84
(A)	194.41
	22.12
	0.01
	-
	-
(B)	22.13
1.34	20.54
2.12	36.91
-	-
-	-
-	-
-	-
0.73	8.12
-	-
-	-
0.05	0.20
0.02	0.25
-	0.02
0.01	0.11
4.27	66.15
	0.18
4.27	65.97
-	-
0.13	0.18
4.40	66.15
(C)	111.89
	282.69

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 14

LONG TERM LOANS AND ADVANCES:

Secured and Considered Good

Capital advances

31.88

Loans and advances to employees

17.95

Sub Total

49.83

Unsecured and Considered Good

Deposits and Balance with Govt. Departments

18.20

Deposit with suppliers

10.88

Advance to suppliers

12.00

Deposits under protest, in Appeals

62.04

Advance recoverable in cash or kind

14.86

MAT Credit Entitlement

49.58

IPA Receivable (Ref.Note:41)

121.29

Sub Total

288.85

Total

338.68

NOTE 15

OTHER NON-CURRENT ASSETS:

Considered Good

Trade receivables - secured

1.20

Trade receivables - unsecured

0.42

Considered Doubtful

Trade receivables - unsecured

7.25

Provision for Doubtful debts

(7.25)

Total

1.62

NOTE 16

INVENTORIES:

Raw materials

178.12

Stores, Spares, Fuel and Packing Materials

393.95

Work-in-progress

53.39

Finished goods (*)

60.07

Total

685.53

(*) Includes finished goods in transit of Rs.3.15 Crores



NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. in Crores)

NOTE 17

TRADE RECEIVABLES:

Secured and Considered Good:

Trade receivables less than 6 months	175.62
Trade receivables more than 6 months	1.86

Unsecured and Considered Good:

Trade receivables less than 6 months (a)	125.22
Trade receivables more than 6 months (b)	1.26

Considered Doubtful

Trade receivables - unsecured	3.00
Provision for Doubtful debts	(3.00)

Total

303.96

(a) Includes receivables from TANGEDCO towards sale of power for Rs.64.19 crores and from TANCEM towards sale of cement for Rs.19.28 crores.

(b) Includes receivables from TANGEDCO towards sale of power for Rs.1.02 crores and from TANCEM towards sale of cement for Rs.0.02 crores

NOTE 18

CASH AND BANK BALANCES:

Cash and Cash Equivalents

Cash on hand	0.12
Stamp paper and imprest	0.04
Balance in current account	40.73

Other Bank Balances

Term Deposits (*)	0.28
Dividend Warrant account	4.23

Total

45.40

(*) Deposits with banks held towards security to various Government Departments.

NOTE 19

SHORT TERM LOANS AND ADVANCES:

Unsecured and Considered Good

Loans and advances to related parties	7.83
Advances to suppliers	37.23
Tax Credits - Indirect Taxes	55.06
Advance income tax paid, TDS and refund receivable	48.76
Advance recoverable in cash or kind	6.55
Loans and advances to employees	6.55
Deposits and Balance with Govt. Departments	2.63
Prepaid Expenses	10.59

Total

175.20

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

NOTE 20

OTHER CURRENT ASSETS :

Unamortised Premium on Forward Contracts

5.68

Unbilled Revenue

3.17

Total

8.85

NOTE 21

REVENUE FROM OPERATIONS:

Sale of products

Domestic Sales - Cement

3,973.79

Domestic Sales - Clinker

0.00

Exports - Cement

82.45

Ready Mix Concrete

16.70

Dry Mortar Mix

25.10

Self consumption - Cement

20.03

Self consumption - Dry Mortar Mix

0.48

20.51

Power generated from Wind Mills (Ref.Note:38)

68.25

Other Operating Income

Industrial Promotion assistance (Ref.Note:41)

51.39

Gross Revenue from Operations

4,238.19

Less:

Excise Duty and Cess

554.67

Revenue from Operations

3,683.52

NOTE 22

OTHER INCOME:

Interest income

6.28

Dividend income

0.76

Sundry Receipts

0.51

Scrap sales

11.75

Rent receipts

7.29

Carbon Credit sales

0.78

Profit on sale of Power from Thermal Power Plant (*)

35.89

Reversal of reduction in carrying amount of Investment

0.03

Total

63.29

(*) After netting off directly attributable expenses of Rs.110.69 crores



**NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2014**

(Rs. in Crores)

NOTE 23

COST OF MATERIALS CONSUMED:

Cement:

Lime stone	274.44	
Pozzolona Material	159.00	
Gypsum	59.34	
Laterite	23.03	
Iron Ore	4.21	
Other Additives	13.83	
Freight & Handling - Inter unit clinker Transfer	107.03	
Material handling expenses	7.50	
		648.38

Ready Mix Concrete

Cement	4.03	
Aggregates	4.80	
Others	0.22	
		9.05

Dry Mortar Mix

Cement	4.94	
White Cement	0.87	
Additives	6.62	
		12.43

Total

669.86

Imported and Indigenous Raw materials Consumed:

Imported	70.06	10.46%
Indigenous	599.80	89.54%
Total	669.86	100.00%

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

2013-14

NOTE 24

CHANGES IN INVENTORIES OF FINISHED
GOODS AND WORK-IN-PROGRESS:

Closing Stock

Finished Goods	60.07
Work-in-progress	53.39
	<u>113.46</u>

Opening Stock

Finished Goods	72.35
Work-in-progress	60.60
	<u>132.95</u>

(Increase)/Decrease in stock	19.49
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ED on stock variance	0.31
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Net (Increase)/Decrease in stock	<u>19.80</u>
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NOTE 24

EMPLOYEE BENEFIT EXPENSES:

Salaries and wages	184.89
Workmen and Staff welfare	18.29
Contribution to Provident Fund	10.78
Contribution to Gratuity Fund	2.17
Contribution to National Pension System (NPS)	0.88
Contribution to Superannuation Fund	4.82

Total	<u>221.83</u>
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NOTE 26

FINANCE COSTS:

Interest on term loans	182.92
Interest on fixed deposits	0.16
Applicable loss on foreign currency transactions and translation	2.97
Other borrowing costs	2.08

Total	<u>188.13</u>
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**NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2014**

(Rs. in Crores)

NOTE 27

OTHER EXPENSES:

Manufacturing Expenses

Power & Fuel	832.40
Packing Materials consumption	176.05
Stores and Spares consumption	72.92
Repairs to plant and equipments	48.04
Repairs to buildings	16.23
Repairs to vehicles and locomotives	9.33
General repairs	1.96

1,156.93

Establishment Expenses

Managing Director Remuneration	8.12
IT & Communication expenses	16.21
Corporate Social Responsibility expenses (Ref.Note:42)	16.84
Insurance	7.52
Exchange Difference (Net)	2.64
General Administration Expenses	12.66
Travelling expenses	14.06
Training & Development Expenses	3.90
Rates and taxes	8.29
Rent	9.93
Input tax credit reversal	5.65
Miscellaneous Expenses	9.47
Legal and Consultancy expenses	2.49
Bank Charges	0.82
Cement Cess	0.64
Auditors' Remuneration and expenses (Ref.Note:33)	0.26
Board Meeting expenses	0.05
Directors Sitting fees	0.06
Loss on sale of investments	0.01
Impairment Loss on assets	0.54
Loss on sale of assets	0.56

120.72

Selling and Distribution Expenses

Transportation and Handling Expenses	825.67
Advertisement expenses	53.62
Other selling expenses	2.43
Sales Promotion expenses	41.07
Agency commission	8.71
Bad debts	0.60

932.10

Total

2,209.75

THE RAMCO CEMENTS LIMITED

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Crores)

Imported and Indigenous Stores and Spare Parts Consumed:

Imported	7.04	9.65%
Indigenous	65.88	90.35%
Total	72.92	100.00%

Value of imports calculated on C.I.F basis in respect of :

Raw Materials	45.35
Stores and spare parts	12.69
Coal and Petcoke	429.99
Packing Materials	31.10
Capital Goods	21.62
	540.75

Expenditure in Foreign Currency on account of:

Interest	2.96
Supervision Charges for Foreign Technician	2.55
Foreign Travel	0.41
Advertisement, Sales promotion outside India	0.65
Leadership Training programme	1.75
Subscription and Periodicals	0.50
Quality Certification Fees	0.07
	8.89

Earnings in Foreign Currency

Export of Cement calculated on FOB Basis	80.98
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As per our report annexed

For M.S JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
P.SANTHANAM
Partner
Membership No. 18697

For CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No. 004915S
C.N.GANGADARAN
Partner
Membership No. 11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

P.R.VENKETRAMA RAJA
R.S.AGARWAL
M.B.N.RAO
M.M.VENKATACHALAM
Directors

Chennai
22-05-2014



DISCLOSURES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014

	Rs. in Crores
	As at 31-03-2014
28. Contingent Liabilities	
28.1 Unexpired Letters of credit for purchase of:	
– Spares, Fuel & packing materials	1.74
– Capital Goods	33.31
28.2 Guarantees given by the bankers on behalf of company	53.86
28.3 Guarantees given to banks to avail loan facilities by Group companies:	
– Thanjavur Spinning Mill Limited	83.00
– Sandhya Spinning Mill Ltd.	59.38
– Ramco Systems Limited	325.00
– Raja Charity Trust	100.00
28.4 Income tax assessments have been completed up to the accounting year ended on 31 st March 2011 i.e., Assessment Year 2011-12. The company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. As against the tax demand of Rs.23.77 Crores, the department has adjusted Rs.10.56 Crores against refunds claimed. In the opinion of Management, there may not be any tax liability with regard to the said disallowances and the refunds so adjusted are held in “Deposits under protest, in appeals” under Long term loans and advances.	
28.5 In respect of Sales Tax (VAT & CST) matters appeals are pending with the Appellate Authorities in respect of tax demands amounting to Rs.40.05 Crores, against which Rs.6.84 Crores have been paid under protest and is held in “Deposits under protest, in appeals” under Long term loans and advances. In the opinion of the management, there may not be any tax liability with regard to the said demands.	
28.6 Differential excise duty on cement in “Bulk & Cement supplies to industrial consumers” amounting to Rs.213.63 Crores demanded by the Department, denying the concession provided under relevant notifications, remain unpaid. The Tribunals have allowed our appeals in this matter. The Department’s appeal was also dismissed in Karnataka High court in the similar issue pertaining to another cement company. But still the department has preferred an appeal before the Supreme Court against Tribunal orders. However periodical demands are being issued to the company by the department in view of pendency of its appeal in the Supreme Court.	
The demands due to CENVAT credit disallowance on some of the inputs, capital goods, service tax on goods transports and levy of differential excise duty with consequential interest and penalty, as at 31-03-2014, amounts to Rs.58.85 Crores remain unpaid, against which the company has replied / preferred appeals that are pending adjudication.	
In the opinion of the management, there may not be any liability with regard to the said demands.	
28.7 The Classification of import of “Steam coal” was challenged by the Customs Department for the period from 17-03-2012 to 28-02-2013 for the imports made by the company as well as other importers across the country. The Department has sought to re-classify the “Steam coal” as “Bituminous coal”. Accordingly a sum of Rs.12.70 crores as differential customs duty and Rs.12.68 crores as differential CVD were demanded. Apart from that a penalty of Rs.7.22 crores was also imposed. While imposing the above said differential duties, the Department	

THE RAMCO CEMENTS LIMITED

has denied the benefit of the Notification No.46/2011-Cus dated 01-06-2011; otherwise the duty liability would have been Rs.4.37 crores towards differential customs duty and Rs.11.33 crores towards differential CVD. Aggrieved by that, the company has filed a writ petition before Hon'ble Madras High court and as per the interim order passed by the court; the company has deposited Rs.2 crores. The writ petition is pending. The company is proposing to file statutory appeals before CESTAT against the said re-classification. The amount so deposited by the company is held in "Deposits under protest, in appeals" under Long term loans and advances.

- 28.8 The Writ Petitions filed by the company in the Honourable Madras High Court against Tamil Nadu Electricity Board (TNEB) towards levy of electricity tax at 15% on the generation of power from captive generator sets using furnace oil are pending. The levy pertains to the period 01-01-1992 to 30-10-1997. The disputed amount remaining unpaid is Rs.0.85 Crores.
- 28.9 TNEB has imposed Rs.1.39 crores towards penalty, alleging shortfall in lifting of fly ash as per the terms of MoU entered into with the Company. TNEB has made the calculation based on the estimation of fly ash quantity that could have been generated for the quantity of coal used by them, instead of ascertaining the actual availability of fly ash generated by them. The Company has obtained stay orders against the penalty from Honourable High Court of Madras.
- 28.10 The company had entered into MoU with TNEB for sourcing fly ash from their thermal power stations. Ignoring the company's right vested under MoU, it was proposed by TNEB to introduce auction unilaterally, for disposal of fly ash. Further TNEB has also proposed to increase the rate from Rs.350/- to Rs.700/- per tonne of fly ash from 01-03-2011. In the writ petitions filed by the Company and other similarly affected companies, the Honourable High Court of Madras, has fixed rate at Rs.540/- per tonne. Challenging the above order, the company filed a review petition and obtained an interim order fixing the rate at Rs.410/- per tonne. Based on the interim order, the company has paid and expensed the differential rate of Rs.60/- per tonne amounting to Rs.7.51 crores during the year. The final decision from the court is awaited.
- 28.11 TANGEDCO has raised a demand towards compensation charges of Rs.0.92 Crores alleging that the Company has exceeded the quota of power consumption during evening peak hours. The Company has deposited the amount under protest, filed writ petition before the Honourable High Court of Madras and the same has been admitted.
- 28.12 Government of Karnataka has imposed Environmental Protection Fee of Rs.5.60 crores, in connection with Company's mining leases. In the writ petitions filed by the Company and other similarly affected companies, the Honourable High Court of Karnataka, has stayed the imposition of the fee. As per the order, the Company has deposited a sum of Rs.2.90 Crores.
- 28.13 The Competition Commission of India vide its order dated 20-06-2012 has imposed a penalty of Rs.258.63 crores on the company for alleged cartelisation with select cement manufacturers. The company has filed an appeal against the order before Competition Appellate Tribunal. In compliance of the interim order, the company has deposited Rs.25.86 crores, being 10% of the impugned penalty. The appeal is pending. Based on the legal opinion the company has not considered any provision as necessary.
- 28.14 Southern Power Distribution Company of Andhra Pradesh Limited has demanded an amount of Rs.0.32 Crores towards alleged excess load factor incentives allowed by them. The Company has filed an appeal before Honourable High Court of Andhra Pradesh and obtained an order of interim stay.
- 28.15 Andhra Pradesh Transmission Corporation Limited (APTRANSCO) has levied Rs.5.91 crores as Fuel Surcharge Adjustment (FSA) for the period from Apr-08 to Dec-12. Out of that, the company has paid and expensed Rs.2.82 crores. Out of that an amount of Rs.2.13 crores is not presently enforceable for the reasons that a part of the



amount is covered in the appeal filed by the APTRANSCO before Hon'ble Supreme court and the interim order granted in favour of the company by the Hon'ble AP High court. The further balance amount of Rs.0.96 crores will be paid as and when it is demanded. APERC has ordered that this FSA is not leviable from Jan-13 onwards.

- 28.16 Under the Jute Packing Materials (Compulsory use of packing commodities) Act, 1987, 50% of the cement produced should be supplied in jute bags. Failure to do so attracts a maximum fine equal to twice the cost of jute bags not used as required by the Act. In view of the competitive conditions prevailing in the market and consumer preference for paper and HDPE bags, the company was not able to use jute bags. The Supreme Court upheld the Constitutional validity of the above Act. However, the Madras High Court and also a few other High Courts have stayed the implementation of the Jute Control Order, in the Writ Petitions filed by the Trade Unions, taking into account the health hazards associated with Jute Packing. Subsequently, Cement has been removed from the schedule of items required to be packed in Jute Packing Materials with effect from 01.07.1997 vide GOI Gazette Extraordinary No.472E dated 30.06.1997. The amount that may become payable in case it is ultimately held that penalty is leviable for non-compliance of the Act during the intervening period is presently not quantifiable.
- 28.17 The AP State Electricity Board (APSEB) had hiked the wheeling charges with effect from 24-03-2002. As a result, the cost of power the company is getting from A P Gas Power Corporation Ltd; (APGPCL) had gone up by Rs.0.84 per unit. APGPCL and other affected consumers including our company had filed appeals in the Honourable AP High Court. The court passed orders in favour of the industries. The APSEB has preferred an appeal to the Honourable Supreme Court and the matter is pending.
- 28.18 The Director of Geology & Mining, Government of Tamil Nadu had raised additional Royalty demand on limestone, based on production of cement by the company instead of basing it on actual quantity of limestone mined. The demand for the company is Rs.9.66 crores for the period from the year 1989 to 2001. In the Writ petitions filed by the company and other similarly affected companies, the Honourable Madras High court has stayed the demands of the Government.
- 28.19 Water Resources Department of Public Works Department, Government of Tamil Nadu had raised a demand of Rs.1.13 crores contending that water charges are to be paid on the contracted quantity and not on the actual quantity of water drawn by the company from Arjuna River in Virudhunagar District. The demand pertains to the period from the year 1990 to 2009. The company has obtained interim stay from the Honourable High Court of Madras. As per the interim order, the Company has deposited a sum of Rs.0.30 Crores with the Department.
- 28.20 Environment, Forests Science & Technology Department, Government of Andhra Pradesh has increased the Royalty on the Limestone mined from the Forest Area from Rs.5/- per permit to Rs.10/- per tonne from the year 2010-11 onwards. We have filed a writ petition before the Honourable High Court of Andhra Pradesh and obtained an interim order, to pay 1/3rd of the demand. As per the Court order, we have paid and expensed Rs.0.99 Crores, being the 1/3rd portion upto 31-03-2014.
- 28.21 New Industries set up in Tamil Nadu were eligible for Power Tariff Concession as per G.O.Ms. No.29 dated 31-01-1995, which was sought to be withdrawn to Industries set up after 14-02-1997 as per G.O.Ms. No.17 dated 14-02-1997. The eligibility for Power Tariff Concession for Alathiyur unit became a dispute between the Company and TNEB. Based on the interim order of the High Court of Madras, the Company had availed power tariff concession to the tune of Rs.11.41 crores and sought refund of unavailed concession of Rs.1.80 crores. The matter was finally settled by the Supreme Court, vide its judgement dated 16-05-2008, wherein it laid down criteria for ascertaining the eligibility for Power Tariff Concession for new industries and directed the TNEB to decide the eligibility for the Company based on the said criteria. However, vide its order dated 30-06-2008, the TNEB sought to introduce new criteria not enumerated in the Supreme Court judgement. Aggrieved, the Company filed a writ petition (WP No:16348 of 2008) before the High Court of Madras, which by its judgement

THE RAMCO CEMENTS LIMITED

dated 13-11-2008 set aside the additional criteria not mentioned in the Supreme Court Judgement and confirmed the eligibility of Power Tariff Concession for the Company. TNEB has filed a writ appeal (WA No:629 of 2010) in the High Court of Madras against the said order seeking disentitlement of power tariff concession already availed. The matter is pending for hearing at the High Court of Madras.

- 28.22 Under Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligations) Regulations, 2010, consumers owning grid connected captive power generating plants and open access consumers with a sanctioned demand of more than 2 MVA are obligated to consume a minimum of 9% and 0.5% of their energy requirements from wind and solar sources respectively. The non-complainants are required to purchase Renewable Energy Certificates (REC) from markets @ 1 REC per 1,000 units of shortage or deposit an equivalent amount in a separate designated fund. Even though the Company is consuming wind energy generated from its wind farms, it has been excluded for reckoning the obligatory consumption, since the company has wheeling and banking arrangement with TNEB. Aggrieved, the Company including other affected producers have approached the Honourable Madras High Court and obtained an interim stay against the implementation of the said regulation.
- 28.23 The Government of West Bengal enacted "The West Bengal Tax on Entry of goods into local areas Act, 2012" and writ petitions were filed by others challenging the validity of the said act. The Calcutta High court held that the said act was ultra-vires. Aggrieved, the Government has preferred an appeal before the Division Bench and obtained an interim direction to continue the Assessment proceedings only. Though the company has not received any demand, it has filed a petition to join in the case.

(Rs. in Crores)

29. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for

As at
31-03-2014

191.93

30. The Maturity profile of the Long Term Borrowings as on 31-03-2014 is as follows:

Term Loans from Banks:

(Rs. in Crores)

Rate of interest in %	2018-19		2017-18		2016-17		2015-16		Total
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
9.45	3	6.75	12	27.00	12	27.00	12	27.00	87.75
10.00	-	-	-	-	-	-	1	4.14	4.14
10.25	-	-	-	-	-	-	2	14.57	14.57
10.45	-	-	4	60.00	4	60.00	4	60.00	180.00
10.50	4	16.02	10	57.10	27	202.83	32	286.16	562.11
10.80	-	-	4	40.00	4	40.00	4	40.00	120.00
11.25	-	-	-	-	1	16.66	1	16.66	33.32
	7	22.77	30	184.10	48	346.49	56	448.53	1,001.89



(Rs. in Crores)

Soft Loan from Tamil Nadu Government:

Repayment due	Rate of interest	Total
Apr-2022	0.10%	30.74
Apr-2023	0.10%	50.01
	Total	80.75

Interest Free Sales Tax loan:

Year	Alathiyur Unit		Jayanthipuram Unit		Total
	No. of instalments	Amount	No. of instalments	Amount	
2025-26	-	-	2	3.55	3.55
2024-25	-	-	4	16.38	16.38
2023-24	-	-	9	40.04	40.04
2022-23	-	-	5	21.43	21.43
2021-22	-	-	-	-	-
2020-21	6	54.74	-	-	54.74
2019-20	12	100.62	-	-	100.62
2018-19	12	74.43	-	-	74.43
2017-18	12	50.60	-	-	50.60
2016-17	7	36.95	-	-	36.95
2015-16	8	38.97	-	-	38.97
		356.31		81.40	437.71

31. "Short term Loans & Borrowings" under "Unsecured Loans" include Loans from Directors as detailed below:

Name	Closing balance as on 31-03-2014	Interest @ 8% p.a
P.R.Ramasubrahmaneya Rajha	8.84	0.73

32. Disclosure as per Accounting Standard on "Consolidated Financial Statements":

Name of Subsidiary : Ramco Windfarms Limited
 Country of Incorporation : India
 Proportion of Ownership Interest : 71.50%
 Nature of Relationship : Direct Control

THE RAMCO CEMENTS LIMITED

(Rs. in Crores)

33. Auditors' remuneration (excluding Service Tax) & expenses:

A. Statutory Auditors:

- a. As Auditors
- b. For Taxation matters
- c. For Management services
- d. Other certification work
- e. For reimbursement of expenses

B. Cost Auditors:

As Auditors

2013-14

0.15

0.02

-

0.03

0.04

0.02

0.26

34. The Company's shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for which Listing fees for the year 2013-14 have been paid. The Company's application for de-listing from Calcutta Stock Exchange is under process.

35. There are no dues to Micro and Small Enterprises as at 31-03-2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

36. The company has invested Rs.22.12 crores in Andhra Pradesh Gas Power Corporation Ltd (APGPCL) by purchasing its 16,08,000 equity shares. The investment entitles the company to source 6 MW power from APGPCL at economical rates compared to the rates charged by AP State Electricity Board. Considering the availability of captive power sources at Jayanthipuram plant, in order to utilise the entitled power, all the shares are being held jointly with the following related parties:

Name of the Related Party	Number of shares	Entitlement of power (MW)	Interest free Security Deposit Received (Rs. in Crores)
Rajapalayam Mills Limited	3,48,400	1.30	0.130
The Ramaraju Surgical Cotton Mills Ltd.	3,08,200	1.15	0.115
Sri Vishnu Shankar Mill Ltd.	3,21,600	1.20	0.120
Sandhya Spinning Mill Ltd.	3,21,600	1.20	0.120
Sri Harini Textiles Limited	3,08,200	1.15	0.115

APGPCL will supply the entitled power of 6 MW to the above related parties for which the charges will be paid by them directly. The Company has received 10 paise per unit for the power consumed by them by virtue of the joint ownership of the shares amounting to Rs.0.18 crores.

37. Research and Development expenses for the year are Rs.10.94 crores including Rs.5.39 crores towards Depreciation.



- 38.** Out of units of 26.67 crores units generated net of wheeling and banking at wind farms -
- 22.68 crores units were sold to TANGEDCO for Rs.67.32 crores, shown under "Power generated from windmills".
 - 3.69 crores units were consumed at the cement plants. The monetary value of such units was not recognised as it is inter-divisional transfer.
 - 0.30 crores units remain unadjusted as on 31-03-2014 is not allowed for carry forward as per terms of agreement but are eligible for encashment. Its monetary value of Rs.0.92 crores has been included in "Unbilled revenue" under "Other current assets".
- 39.** The Pre-operative expenses incurred on account of insurance premium of Rs.0.16 crores and borrowing costs of Rs.26.56 crores relating to acquisition / construction of assets have been capitalized during the year.
- 40.** The company's petition filed against the judgement upholding the validity of "The Cess and Other Taxes on Minerals (Validation) Act, 1992" in the Honourable Supreme Court has been ruled in company's favour. Pursuant to the above judgement, the company is entitled to receive a sum of Rs.1.50 crores from the Government of Tamil Nadu and is held under "Advances recoverable in cash or kind".
- 41.** The Company is eligible for incentives under "West Bengal Incentive Scheme 2004" in respect of the clinker grinding unit at Kolaghat in the State of West Bengal. A sum of Rs.50.14 crores accrued as Industrial Promotional Assistance (IPA), being 90% of taxes paid, is credited to Statement of Profit and Loss, under "Other operating Income". During the year the company has realised Rs.5.53 crores. The aggregate value of incentives receivable as on 31-03-2014 is Rs.120.04 crores. The company is also eligible for incentives under "Industrial investment promotion policy, 2005-10 scheme" in respect of expansion of cement manufacturing capacity in Jayanthipuram plant in the state of Andhra Pradesh for the year 2012-13. A sum of Rs.1.25 crores accrued as reimbursement of 25% of incremental VAT paid, is also credited to Statement of Profit and Loss under "Other operating income".
- 42.** Details of Corporate social responsibility expenses: **(Rs. in Crores)**

Category	2013-14
Contribution to Public charitable Trust for setting up of Engineering college	12.08
Contribution to Public charitable Trust for construction of temples	0.27
Contributions to temples / places of worship	1.73
Value of cement donated to temples / places of worship	0.25
Contributions to Educational institutions	0.20
Value of cement donated to educational institutions	0.13
Contributions to Government sponsored welfare schemes	0.52
Contributions to neighbourhood development near places of business	0.64
Amount spent for medical camps	0.15
Contributions to Public Healthcare	0.13
Contributions for sports development	0.07
Contributions to other charitable institutions / causes	0.67
Total	16.84

THE RAMCO CEMENTS LIMITED

43. As per AS-15, the disclosures pertaining to “Employee Benefits” are given below:

Defined Contribution Plan:

(Rs. in Crores)

Particulars	2013-14
Employer's Contribution to Provident Fund	10.78
Employer's Contribution to National pension System (NPS)	0.88
Employer's Contribution to Superannuation Fund	4.82

Details of the Post Retirement Gratuity Plan (Funded) are as follows:

Reconciliation of opening and closing balances of obligation:

Defined Benefit obligation as at the beginning of the year	27.27
Current Service Cost	1.94
Interest Cost	2.11
Actuarial loss	0.65
Benefits paid	(-) 1.88
Defined Benefit obligation as at the end of the year	30.09

Reconciliation of opening and closing balances of Fair Value of Plan Assets:

Fair value of plan assets as at the beginning of the year	27.27
Expected return on plan assets	1.71
Actuarial gain	0.82
Employer contribution	2.17
Benefits paid	(-) 1.88
Fair value of plan assets as at the end of the year	30.09

Actual Return on Plan Assets:

Expected return on plan assets	1.71
Actuarial gain on plan assets	0.82
Actual return on plan assets	2.53

Reconciliation of Fair Value of Assets and Obligations:

Fair value of plan assets	30.09
Present value of obligation	30.09
Difference	Nil
Unrecognized past service cost – non vested benefits	Nil
Amount recognized in Balance Sheet	Nil



(Rs. in Crores)

Expense recognized during the year:

Current Service Cost	1.94
Interest Cost	2.11
Expected return on plan assets	(-) 1.71
Actuarial loss / (gain)	(-) 0.17
Past service cost - non-vested benefits	Nil
Past service cost - vested benefits	Nil
Net Cost	2.17

Investment Details as on 31-03-2014:

GOI Securities	0.07
High Quality Corporate Bonds	0.05
Funds with LIC	27.41
Bank balance	0.03
Interest & IT refund receivable	2.53
Total	30.09

Actuarial assumptions:

LIC 1996-98 Ultimate Table applied for service mortality rate	Yes
Discount rate p.a	9%
Expected rate of return on plan assets p.a	6.22%
Rate of escalation in salary p.a	3.50%

Details of the Leave Encashment Plan (Unfunded) are as follows:

Reconciliation of opening and closing balances of obligation:

Defined Benefit obligation as at the beginning of the year	14.23
Current Service Cost	0.77
Interest Cost	1.09
Actuarial loss	1.62
Benefits paid	(-) 1.19
Defined Benefit obligation as at the end of the year	16.52

Reconciliation of opening and closing balances of Fair Value of Plan Assets:

Fair value of plan assets as at the beginning of the year	Nil
Expected return on plan assets	Nil
Actuarial (gain) / loss	Nil
Employer contribution	1.19
Benefits paid	(-) 1.19
Fair value of plan assets as at the end of the year	Nil

Actual Return on Plan Assets:

Expected return on plan assets	Nil
Actuarial (gain) / loss on plan assets	Nil
Actual return on plan assets	Nil

THE RAMCO CEMENTS LIMITED

(Rs. in Crores)

Reconciliation of Fair Value of Assets and Obligations:

Fair value of plan assets	Nil
Present value of obligation	16.52
Difference	16.52
Unrecognized past service cost – non-vested benefits	Nil
Amount recognized in Balance Sheet	16.52

Expense recognized during the year:

Current Service Cost	0.77
Interest Cost	1.09
Expected return on plan assets	Nil
Actuarial loss	1.62
Past service cost - non-vested benefits	Nil
Past service cost - vested benefits	Nil
Net Cost	3.48

Investment Details as on 31-03-2014:

GOI Securities	Nil
State Government Securities	Nil
High Quality Corporate Bonds	Nil
Funds with LIC	Nil
Bank balance	Nil
Total	Nil

Actuarial assumptions:

LIC 1996-98 Ultimate Table applied for service mortality rate	Yes
Discount rate p.a	9%
Expected rate of return on plan assets p.a	Nil
Rate of escalation in salary p.a	3.50%

44. a) The lease rentals recognised on non-cancellable operating lease of aircraft on Joint venture basis in the statement of profit and loss grouped under the head Travelling expenses are as detailed below:

Lease Payments	1.42
Contingent rent (Usage Charges)	1.20

- b) Operating Lease obligations payable for future periods from the Balance sheet date:

Not Later than one year	1.15
Later than one year and not later than five years	2.50
Later than five years	0.00



45. The Segment Information for the year ended 31st March, 2014 is detailed below:

	(Rs. in Crores)		
	Cement	Power from Windmills	Total
	2013-14	2013-14	2013-14
REVENUE:			
Total Sales	3615.27	83.83	3699.10
Less : Inter Segment Sale		15.58	15.58
External Sales (Net)	3615.27	68.25	3683.52
Other income	48.12	1.33	49.45
Total Revenue	3663.39	69.58	3732.97
RESULT:			
Segment Result	420.67	17.89	438.56
Unallocated Income			7.56
Unallocated Expenses			133.26
Operating Profit			312.86
Interest Expense			188.13
Interest Income			6.28
Income tax - Current			-4.37
- Deferred			20.90
Net Profit before Minority Interest			114.48
Minority Interest			(0.07)
Net Profit			114.55
OTHER INFORMATION:			
Segment Assets	5580.45	585.64	6166.09
Unallocated Assets			679.41
Total Assets			6845.50
Segment Liabilities	1081.03	4.12	1085.15
Unallocated Liabilities			3301.42
Total Liabilities			4386.57
Capital Expenditure	532.57	1.28	533.85
Unallocated Capital Expenditure			60.95
Depreciation	251.19	41.29	292.48
Unallocated Depreciation			13.95

THE RAMCO CEMENTS LIMITED

(Rs. in Crores)

46. Earnings per Share:

Particulars

2013-14

Net profit after tax (A)

114.55

Adjusted Weighted average number of Equity shares including unallotted Bonus shares (in crores) (B)

23.83

Nominal value per equity share in Rs.

1

Basic & Diluted earnings per share (A)/(B) in Rs.

5

47. Related party transactions for the year are furnished below:

Key Managerial personnel:

P.R.Ramasubrahmaneya Rajha, Chairman & Managing Director

A.V.Dharmakrishnan, Chief Executive Officer

K. Selvanayagam, Company Secretary

Relative of Key Managerial personnel:

P.R.Venketrama Raja, Director, Son of P.R.Ramasubrahmaneya Rajha

Enterprises over which the above persons exercise significant influence and with which the company had transactions during the year:

a) Companies:

Rajapalayam Mills Limited

Thanjavur Spinning Mill Limited

The Ramaraju Surgical Cotton Mills Ltd.

Sri Harini Textiles Limited

Ramco Industries Limited

Rajapalayam Spinners Ltd.

Sri Vishnu Shankar Mill Ltd.

Ontime Industrial Services Limited

Ramco Systems Limited

Sudharsanam Investments Limited

Sandhya Spinning Mill Ltd.

Ramco Management Private Ltd.

b) Public Trusts:

Smt.Lingammal Ramaraju Shastra Prathishta Trust

Raja Charity Trust

PACR Sethurammam Charity Trust

PAC Ramasamy Raja Education Charity Trust

Ramco Welfare Trust

The Ramco Cements Limited Educational and Charitable Trust

PACR Sethurammam Charities

The Company's transactions with the above related parties that are reportable in Rupees in crores with two decimals are summarised below:

a) *Amounts paid to Key Managerial Personnel:*

Name of the Related Party	Amount	Nature of payment
P.R.Ramasubrahmaneya Rajha	8.12	Managerial Remuneration
	0.73	Interest accrued/paid
P.R.Venketrama Raja	0.02	Sitting fees
	0.01	Rent
A.V.Dharmakrishnan (HUF)	0.07	Rent



b) *Investments held jointly:*

The details are provided under Note No.36

c) *Inter Corporate Deposits Given:*

Name of the Related Party	Maximum outstanding during the Year	Interest @ 12% p.a	Outstanding as on 31-03-2014
Ramco Systems Limited	51.00	2.51	Nil

d) *Goods Sold:*

i) **Sale of Cement:**

Name of the Related Party	Value	Receivable as on 31-03-2014
Rajapalayam Mills Ltd.	0.15	Nil
Ramco Industries Limited	30.14	Nil
Sandhya Spinning Mill Ltd.	0.01	Nil
Sri Vishnu Shankar Mill Ltd.	0.02	Nil
Thanjavur Spinning Mill Limited	0.06	Nil
Sri Harini Textiles Limited	0.00	Nil
The Ramaraju Surgical Cotton Mills Ltd.	0.23	Nil
Raja Charity Trust	1.36	0.18
PAC Ramasamy Raja Education charity Trust	0.08	Nil

ii) **Sale of Electrical Energy:**

Thanjavur Spinning Mill Limited	2.85	Nil
The Ramaraju Surgical Cotton Mills Ltd.	0.98	Nil
Sri Vishnu Shankar Mill Ltd.	2.89	Nil
Rajapalayam Mills Ltd.	5.73	Nil
Sandhya Spinning Mill Ltd.	2.46	Nil
Ramco Industries Limited	1.20	Nil

iii) **Sale of Fly ash:**

Ramco Industries Limited	0.21	Nil
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e) *Goods & Services Purchased / Availed:*

Name of the Related Party	Value of Goods / Services	Outstanding as on 31-03-2014	Nature of goods / services
Ramco Industries Limited	0.53	Nil	Fiber sheets & silicate boards
Ramco Systems Limited	22.19	0.15	Software and software related services. Rs.0.15 Crores remain unadjusted advance.

THE RAMCO CEMENTS LIMITED

Smt.Lingammal Ramaraju Shastra Prathishta Trust	3.33	1.44	Diesel & Petrol. Rs.1.44 Crores remain unadjusted advance.
PACR Sethurammam Charity Trust	5.81	0.70	Diesel, Petrol, Tyres & Lube oil. Rs.0.70 Crores remain unadjusted advance.
Ramco Welfare Trust	6.12	0.28	Diesel, Petrol & Lube oil. Rs.0.28 Crores remain unadjusted advance.
PACR Sethurammam Charities	0.57	Nil	Diesel & Petrol.
Ontime Industrial Services Limited	105.86	4.04	Services of Transport of cement availed. Rs.4.04 crores remains unadjusted advance.
	3.14	Nil	Manpower supply services availed.

f) Corporate Guarantee Given:

Beneficiary	Bank Name	Guarantee Amount
Thanjavur Spinning Mill Limited	Axis Bank Ltd	35.00
	Tamilnad Mercantile Bank Ltd	48.00
Ramco Systems Limited	ING Vysya Bank	82.00
	ICICI Bank	100.00
	Kotak Mahindra Bank Ltd	50.00
	Indusind Bank	25.00
	Karur Vysya Bank	25.00
	Aditya Birla Finance Ltd	18.00
	TATA Capital Financial Services Ltd	25.00
Sandhya Spinning Mill Ltd	Indian Bank	59.38
Raja Charity Trust	Indian Overseas Bank	70.00
	Pandyan Grama Bank	30.00

g) Rent Receipts:

Name of the Related Party	Rent receipts	Outstanding as on 31-03-2014
Ramco Systems Limited	7.97	Nil

h) Amount received by virtue of joint ownership of shares of APGPCL:

Name of the Related Party	Amount	Receivable as on 31-03-2014
Rajapalayam Mills Ltd	0.04	Nil
The Ramaraju Surgical Cotton Mills Ltd	0.03	Nil
Sri Vishnu Shankar Mill Ltd	0.04	Nil
Sandhya Spinning Mill Ltd	0.04	Nil
Sri Harini Textiles Limited	0.03	Nil



i) *Assets held jointly:*

1) Owned Aircraft:

Name of the Related Party	Share of joint ownership in Aircraft
Ramco Industries Limited	16.67%

2) Aircraft on Operating Lease:

Name of the Related Party	Share of joint interest in Aircraft
Ramco Industries Limited	16.67%

j) *Donations Given:*

Name of the Related Party	Purpose	Donations given
Raja Charity Trust	For establishment of an Engineering college viz., Ramco Institute of Technology	12.08
The Ramco Cements Limited Educational and Charitable Trust	For running of school education	0.02

k) *Purchase of Fixed Assets:*

Name of the Related Party	Value	Particulars
The Ramaraju Surgical Cotton Mills Ltd.	9.34	Land admeasuring 9,725 sq.ft with superstructure of 2,000 sq.ft. at T.S.No.14/6, Block No.9 in Velachery Road, Adyar, Chennai

l) *Operating Lease of Land Taken:*

Name of the Related Party	Lease rent paid	Particulars
Raja Charity Trust	0.00	Land admeasuring 23.445 acres for a period of 30 years from 01-12-2012 for an annual rent of Rs.1,000/- per acre for construction of hostel for students studying in Ramco Institute of Technology.

m) *Loan Given:*

Name of the Related Party	Maximum outstanding during the Year	Interest received @ 11% p.a	Outstanding as on 31-03-2014
Raja Charity Trust	11.00	0.20	Nil

n) *Advances recoverable from Trust:*

Name of the Related Party	Receivable as on 31-03-2014
The Ramco Cements Limited Educational and Charitable Trust	1.04

THE RAMCO CEMENTS LIMITED

o) Rent Payments:

Name of the Related Party	Rent paid	Outstanding as on 31-03-2014
Rajapalayam Mills Ltd.	0.01	Nil

p) Dividend Received:

Name of the Related Party	Cost of investment in Equity shares as on 31-03-2014	Dividend received
Rajapalayam Mills Ltd.	8.12	0.44
Ramco Industries Limited	20.54	0.27
Sri Vishnu Shankar Mill Ltd.	0.01	0.00
Ramco Systems Limited	36.91	Nil

q) Dividend Paid:

Name of the Related Party	Dividend paid
Rajapalayam Mills Ltd.	3.29
Ramco Industries Limited	4.93
Sri Vishnu Shankar Mill Ltd.	0.39
The Ramaraju Surgical Cotton Mills Ltd.	0.36
Sudharsanam Investments Limited	0.30
Ramco Management Private Ltd.	0.05

48. Information with regard to Subsidiary Company

Information relating to financial performance of Subsidiary Company for the year 2013-14 :
(in terms of Government of India, Ministry of Corporate Affairs General Circular No:2/2011 dated 8th February, 2011)

Sl. No.	Particulars	Ramco Windfarms Limited (Rs. in Crores)
1	Capital	1.00
2	Reserves	(-) 0.23
3	Total Assets	32.17
4	Total Liabilities	31.40
5	Details of Investment	—
6	Turnover	0.01
7	Profit/(Loss) before Taxation	(-) 0.34
8	Provision for Taxation	(-) 0.11
9	Profit/(Loss) after Taxation	(-) 0.23
10	Proposed Dividend	—



THE RAMCO CEMENTS LIMITED

E-VOTING

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members facility to exercise their right to vote at the 56th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Select the "THE RAMCO CEMENTS LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Vasudevan with sequence number 1 then enter VA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN for The Ramco Cements Limited.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. The voting period begins on 22-07-2014 (9.00 AM) and ends on 24-07-2014 (6.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as of 25-06-2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 25-06-2014.

V. Shri.K.Srinivasan,CharteredAccountant(MembershipNo:21510),Partner,M/s.M.S.Jagannathan&N.Krishnaswami, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ramcocements.in and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

PROXY FORM

THE RAMCO CEMENTS LIMITED

(CIN:L26941TN1957PLC003566)

Regd. Office: "Ramamandiram", Rajapalayam – 626 117, Tamil Nadu.

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No/DP ID - Client ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : Address :

E-mail Id : Signature :, or failing him

2. Name : Address :

E-mail Id : Signature :, or failing him

3. Name : Address :

E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual general meeting of the company, to be held on Monday, the 28th July 2014 at 10.15 AM at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam – 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business	
1	Adoption of Financial Statements for the year ended 31 st March 2014
2	Declaration of Dividend for the year 2013-14
3	Appointment of M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants, as Auditors
Special Business	
4	Amendment of Article 119A of the Articles of Association
5	Appointment of Shri.P.R.Ramasubrahmaneya Rajha as the Chairman & Managing Director
6	Appointment of Shri.R.S.Agarwal as Independent Director
7	Appointment of Shri.M.B.N.Rao as Independent Director
8	Appointment of Shri.M.M.Venkatachalam as Independent Director
9	Authority to borrow money upto Rs.5,000 crores
10	Maintenance of Registers and Returns at the Corporate Office of the Company at Chennai

Signed this day of July 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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



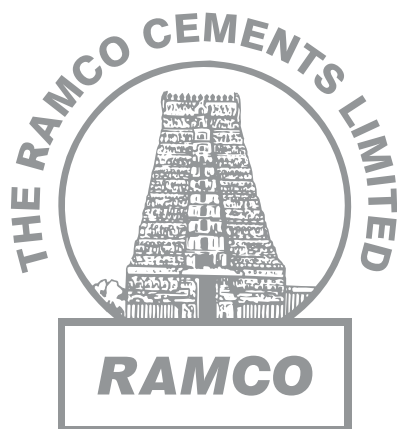
Limestone Benefication Plant at Alathiyur, commissioned during the year.

Colour Sorter Project for Limestone under erection at Ramasamy Raja Nagar.



A view of Vizag Grinding Unit under construction.

YOU SURE HAVE A HEART,
SO YOU MUST HAVE SOME BLOOD TO DONATE






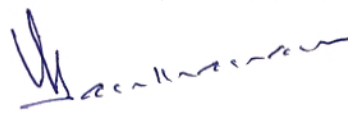

LET YOUR BLOOD RUSH IN
WHEN SOMEONE'S LIFE IS RUNNING OUT

Madras Stock Exchange Ltd. Chennai – 600 001.
Bombay Stock Exchange Ltd. Mumbai – 400 001.
National Stock Exchange Of India Ltd. Mumbai - 400 051.

Dear Sir,

Sub: Compliance of Clause 31 of the Listing Agreement
Ref: SEBI Circular CIR/CFD/DIL/7/2012 dt.13.08.2012

FORM A

1	Name of the Company	The Ramco Cements Limited
2	Annual Financial Statements for the year ended	31 st March 2014
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Does not arise
5	NAME	SIGNATURE
	1. P.R.RAMASUBRAHMANEYA RAJHA CHAIRMAN & MANAGING DIRECTOR	
	2. A.V.DHARMAKRISHNAN CHIEF EXECUTIVE OFFICER	
	3. S.VAITHIYANATHAN CHIEF FINANCIAL OFFICER	
	4. P.SANTHANAM M.S.JAGANNATHAN & N .KRISHNASWAMI CHARTERED ACCOUNTANTS	
	5. C.N.GANGADARAN CNGSN & ASSOCIATES CHARTERED ACCOUNTANTS	
	6. R.S.AGARWAL AUDIT COMMITTEE CHAIRMAN	