



---

**AMBUJA CEMENTS LIMITED**

---

**ANNUAL REPORT 2015**

---

## **OUR VISION**

---

To be the most sustainable and competitive  
company in our industry.

## **OUR MISSION-**

---

### **CREATE VALUE FOR ALL**

---

Delighted Customers | Inspired Employees  
Enlightened Partners | Energised Society | Loyal Shareholders  
Healthy Environment

## CONTENTS

Chairman's Letter	05
Financial Highlights of 5 Years	07
Performance Highlights	08
I Can - Some Highlights	12
Directors' Report and Management Discussion & Analysis	18
Annexure to Directors' Report	41
Report on Corporate Governance	62
Business Responsibility Report for the Year 2015	83
Auditor's Report	93
Financial Statements	96
Consolidated Accounts with Auditor's Report	124
Notice	157

GIVE A MAN ORDERS  
AND HE WILL DO THE TASK  
REASONABLY WELL.  
BUT LET HIM SET HIS  
OWN TARGETS, GIVE HIM  
THE FREEDOM AND  
THE AUTHORITY,  
AND HIS TASK BECOMES  
A PERSONAL MISSION:

I CAN.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. N. S. Sekhsaria**

– Chairman

**Mr. Eric Olsen** (w.e.f. 27.07.2015)

– Vice Chairman

**Mr. Bernard Fontana** (up to 16.07.2015)

**Mr. Bernard Terver** (up to 10.02.2016)

**Mr. Christof Hassig** (w.e.f. 09.12.2015)

**Mr. Martin Kriegner** (w.e.f. 11.02.2016)

**Mr. Nasser Munjee**

**Mr. Rajendra P. Chitale**

**Mr. Shailesh Haribhakti**

**Dr. Omkar Goswami**

**Mr. Haigreve Khaitan**

**Ms. Usha Sangwan**

**Mr. B. L. Taparia**

**Mr. Ajay Kapur**

– Managing Director &  
Chief Executive Officer

### CHIEF FINANCIAL OFFICER

**Mr. Suresh Joshi** (w.e.f. 01.02.2016)

### COMPANY SECRETARY

**Mr. Rajiv Gandhi**

### EXECUTIVE COMMITTEE

**Mr. Ajay Kapur**

– Managing Director & CEO

**Mr. Suresh Joshi**

– Chief Financial Officer

**Mr. Vilas Deshmukh**

– Chief Manufacturing Officer

**Mr. Sanjay Gupta**

– Chief Marketing Officer

**Ms. Meenakshi Narain**

– Chief HR Officer

**Mr. Henning Sasse**

– Head of Techport

**Mr. Pierre Alexandre De Lavallaz**

– Chief Procurement Officer

### AUDITORS

M/s. SRBC & Co.LLP (Statutory Auditors)

M/s. P. M. Nanabhoy & Co. (Cost Auditors)

M/s. Rathi & Associates (Secretarial Auditors)

### CORPORATE OFFICE

Elegant Business Park,  
MIDC Cross Road 'B',  
Off Andheri-Kurla Road,  
Andheri (E), Mumbai 400 059.

### REGISTERED OFFICE

P. O. Ambujanagar, Tal. Kodinar  
Dist. Gir Somnath, Gujarat 362 715.

## CHAIRMAN'S LETTER

Dear Shareholders,

Last year, our industry witnessed a historic event when two of the world's largest cement companies merged. Holcim Ltd. Switzerland and Lafarge SA, France announced the completion of their global merger in July 2015, to create LafargeHolcim Ltd. – a leader in the cement and building material industry, present in 90 countries, with over 1,15,000 employees. LafargeHolcim will support Ambuja in all our business functions, just as Holcim has so ably in the past. We look forward to strengthening our relationship with LafargeHolcim, with even greater achievements enabled by the many synergies and interests shared between us.

India's slow-moving economy in 2015 adversely impacted the cement industry, which has always been closely tied with the country's growth. The demand for cement last year grew by just 1.5%, on a YOY basis, due to a weak rural economy and reduced government spending. A poor monsoon, for the second consecutive year, further affected the rural economy.

Once again, when faced with a challenge, our teams used their grit and ingenuity to steer the Company to safer ground. Because of their hard work, Ambuja's sales volume remained constant through 2015, even in the face of weak demand. Our teams were able to offset negative growth in the 1st quarter by improving sales performance in the 2nd quarter. They were also able to improve efficiencies in cost management by using a better energy mix (pet coke and alternative fuels), helped in part by softer fuel prices. However in the final analysis, weak cement demand, excess capacity and falling prices had a negative impact on the Company's financial performance, with net sales lower by 5.5% to ₹9368 crores. Net profit was down by 46% at ₹808 crores due to lower prices, additional depreciation and tax provisions, and higher tax write-backs in 2014.

On a positive note, the government has announced various initiatives that could lead to growth for the cement industry. Revival of infrastructure projects would increase demand, thereby reducing the gap between supply and demand. Going forward, it's not unreasonable to foresee cement demand enjoying a compounded growth rate of 6-7% over the next five years. This is expected to be driven by strong urbanisation and residential demand coming from individual home builders, along with government's announcement of various initiatives and their on-ground implementation. We are also confident that our various Operational Excellence Programs will yield results for the Company across every parameter.

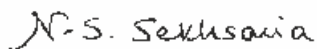
The Company embarked on an initiative to strengthen customer support in 2015. A network of 7 Ambuja Knowledge Centres (AKC) were added to the existing 20 AKCs that were set up in metros and towns to reach out to construction professionals. These centres bring in world-renowned speakers to give lectures and practical guidance on contemporary construction practices. This enables small contractors across India to use cutting-edge techniques to improve the quality and efficiency of their work.

Over the last few years, sustainability has been a key focus area for the Company. Our journey to achieve sustainability continued this year with improved performance in governance, environmental protection and social responsiveness. Our efforts have borne fruit yet again. I'd like to congratulate our teams for winning the prestigious CII Sustainability Award for Corporate Excellence for the 5th year in a row.

Our CSR initiatives have also broken new ground. I am happy to share that the Ambuja Cement Foundation (ACF) has made new strides to develop the employment skills of young people in our communities. ACF has established 16 Skill and Entrepreneurship Development Institutes (SEDI) across 10 states that provide vocational training in 12 sectors. Till date, SEDI has trained over 26,000 youth, 70% of which have been successfully employed in various industries. I am also delighted to share with you the outstanding performance of two intellectually challenged students of the Ambuja Manovikas Kendra (AMK), who brought glory to their school at the Summer Special Olympics held in Los Angeles.

The coming year may be as challenging as the last. But I am confident, as in the past, that our people's *I Can* spirit will help us turn adversity into opportunity, and we will rise to overcome every challenge the year brings.

With warm regards,

A handwritten signature in dark ink, reading "N.S. Sekhsaria". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

N.S. Sekhsaria  
25th February, 2016

## FINANCIAL HIGHLIGHTS OF 5 YEARS

Amount in ₹ crores

	2015	2014	2013	2012	2011
<b>INCOME STATEMENT</b>					
Net Sales	9,368	9,911	9,079	9,675	8,504
Operating EBITDA	1,531	1,928	1,667	2,473	1,977
Profit Before Tax	1,172	1,783	1,514	1,902	1,703
Profit After Tax	808	1,496	1,295	1,297	1,229
<b>BALANCE SHEET</b>					
Net Worth	10,307	10,103	9,486	8,805	8,069
Borrowings	33	29	29	35	43
Capital Employed	10,946	10,763	10,121	9,414	8,778
Fixed Assets - Gross Block	12,013	11,429	10,826	10,184	9,702
Fixed Assets - Net Block	6,092	6,227	6,063	5,862	6,186
Current Assets	6,549	5,995	5,537	5,276	4,264
Current Liabilities	3,226	3,138	2,843	2,899	2,764
<b>CASH FLOW STATEMENT</b>					
Net Cash Generated from Operations	1,553	1,675	1,287	1,858	1,533
Cash and Cash Equivalents	5,032	4,459	3,961	3,860	2,899
<b>SIGNIFICANT RATIOS</b>					
Operating EBITDA / Net Sales	16%	19%	18%	26%	23%
Return on Capital Employed (EBIT / Avg. CE)	12%	18%	16%	22%	21%
Debt Equity Ratio (Debt / [Debt+NW])	0.00	0.00	0.00	0.00	0.01
Price Earning Ratio <sup>#</sup>	39.02	23.65	21.79	23.83	19.37
Book Value Per Share (₹)	66.52	65.29	61.43	57.24	52.67
Basic Earning Per Share (₹)	5.21	9.67	8.39	8.43	8.02
Dividend Per Share (₹)	2.80	5.00	3.60	3.60	3.20
Dividend Payout Ratio	65%	62%	50%	50%	46%
Current Ratio	2.03	1.91	1.95	1.82	1.54
<b>OPERATIONS</b>					
Cement Capacity - Million Tonnes	29.65	28.75	27.95	27.95	27.35
Cement Production - Million Tonnes	21.54	21.43	20.96	21.62	20.97

<sup>#</sup> Market Price as per BSE on last day of the year.

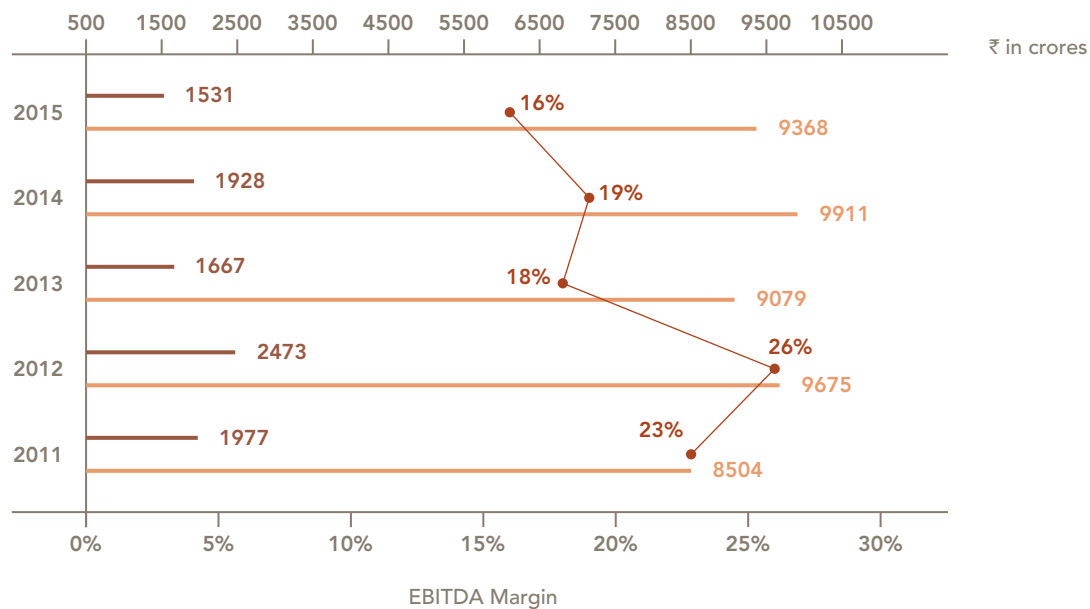
Except for the year 2011, figures of the rest of the years are based on Revised Schedule VI.



## PERFORMANCE HIGHLIGHTS

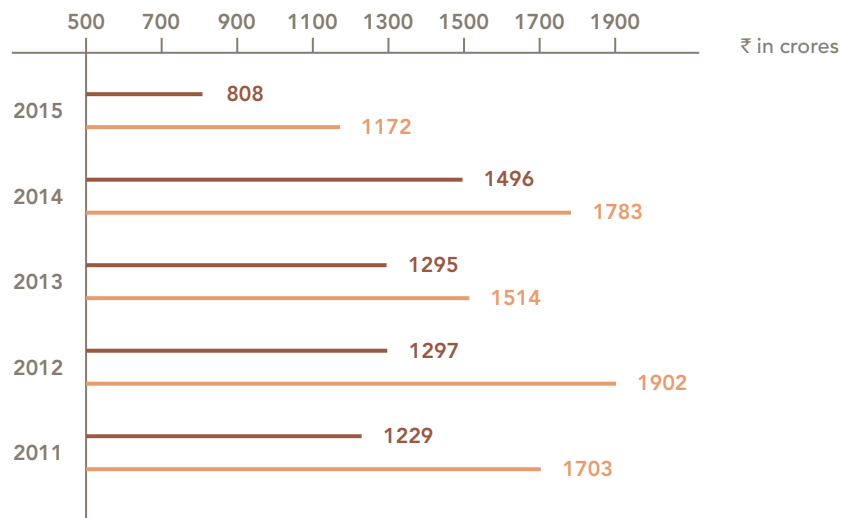
### Net Sales, EBITDA & EBITDA Margin

Net Sale Operating EBITDA EBITDA Margin



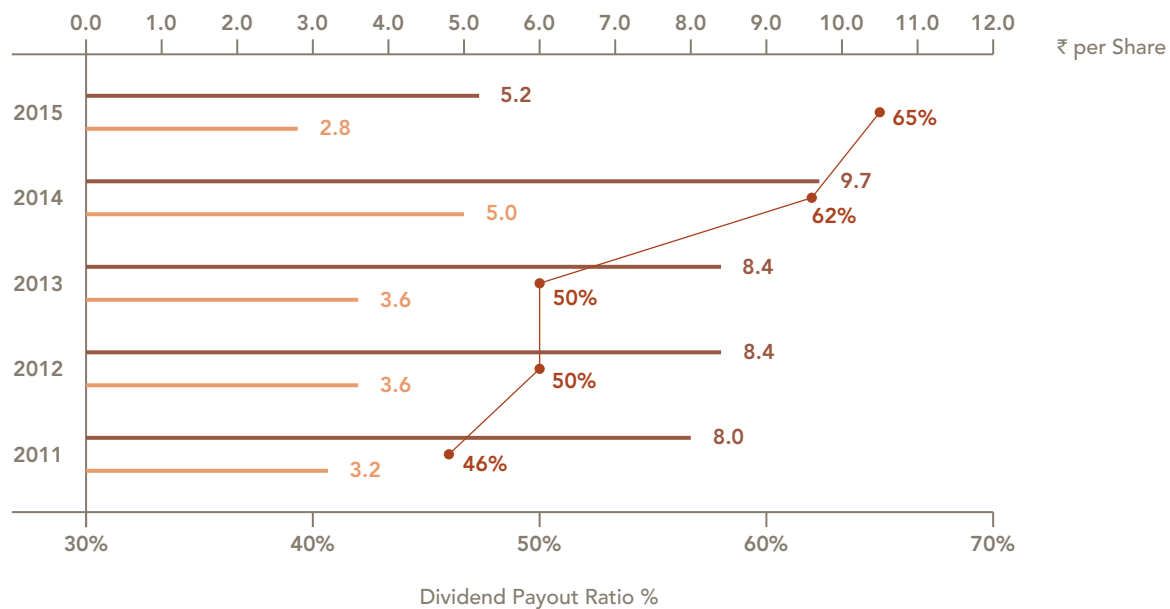
### Profit Before Tax & Profit After Tax

Profit Before Tax Profit After Tax



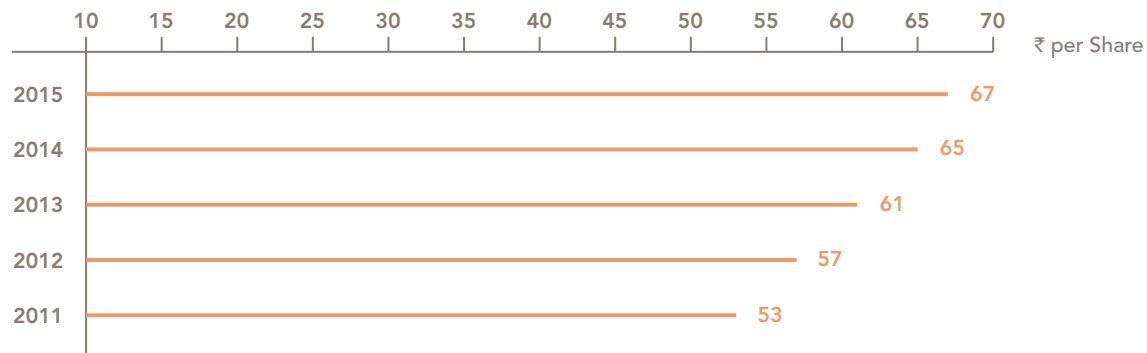
### Dividend Per Share, Earning Per Share & Dividend Payout Ratio

■ DPS ■ EPS ● Dividend Payout Ratio



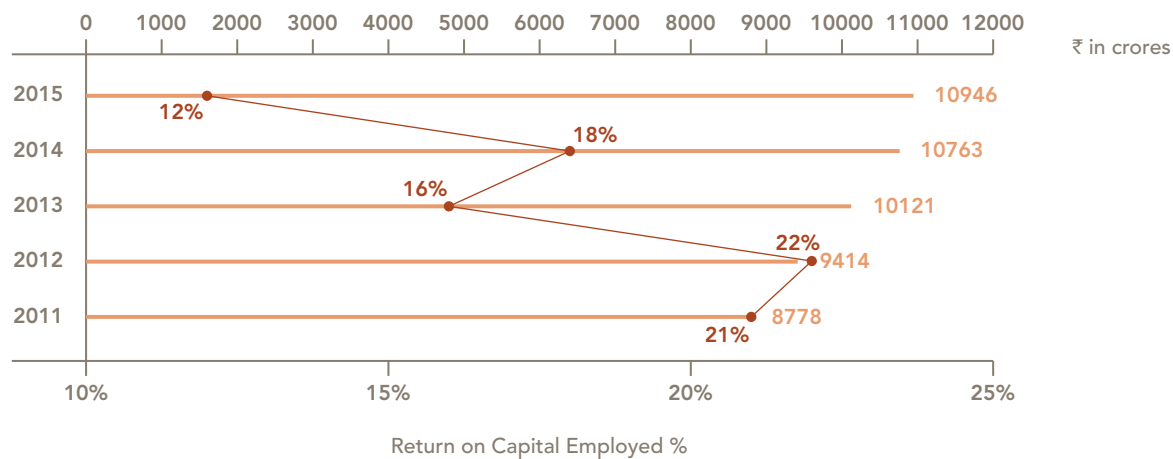
### Book Value Per Share

■ Book Value Per Share (₹)



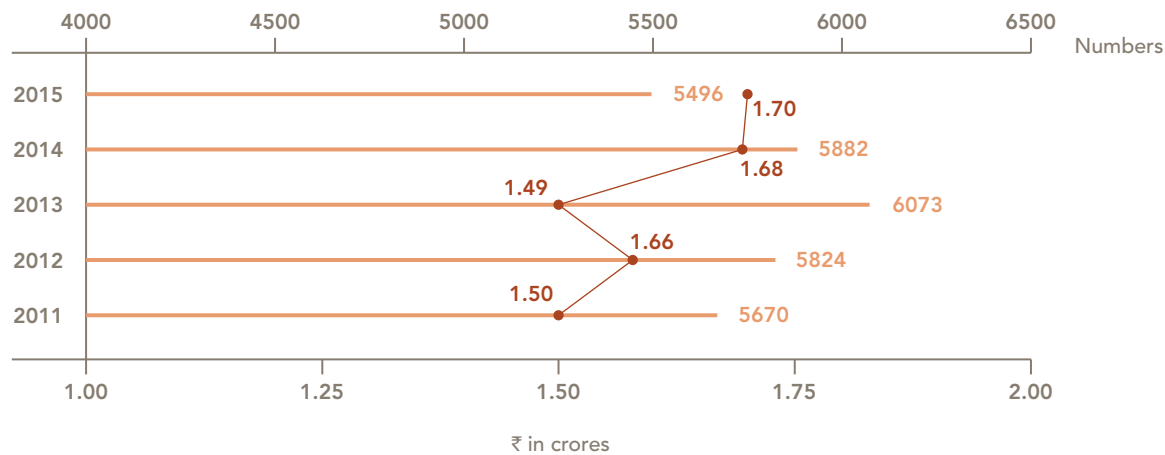
### Capital Employed & Return on Capital Employed

■ Capital Employed ● Return on Capital Employed (EBIT/Avg CE)

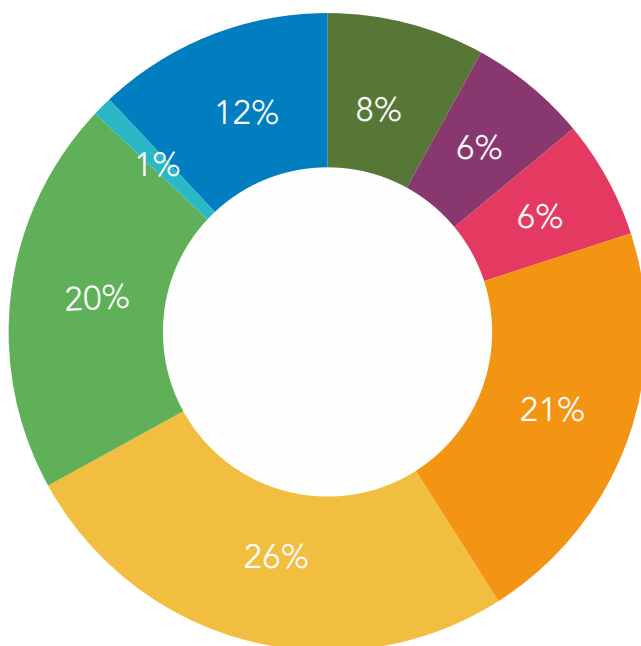


### Employees at the year end & Turnover per Employee

■ ETF ● Turnover per employee

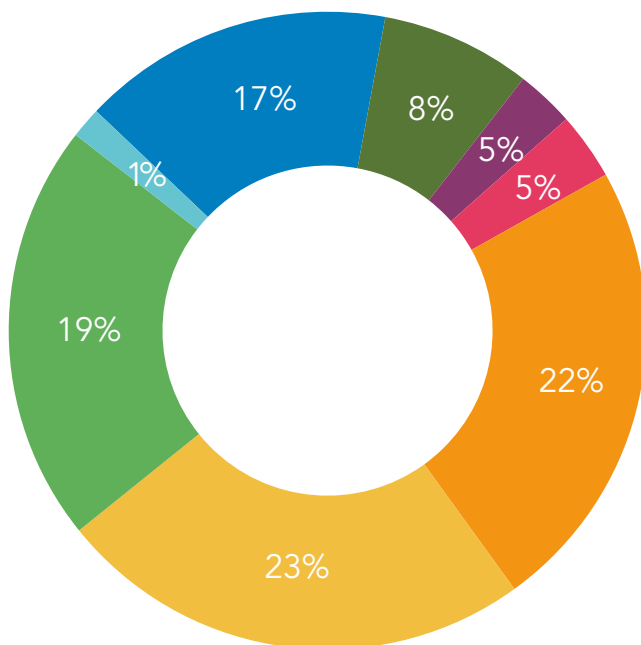


### Cost & Profit as Percentage of Total Income 2015



- Financial Cost  
₹92 Crs.
- Profit Before Tax  
₹1172 Crs.
- Cost of Materials Consumed  
₹797 Crs.
- Employee Costs  
₹590 Crs.
- Depreciation & Amortisation Expenses  
₹626 Crs.
- Power & Fuel  
₹2053 Crs.
- Freight & Forwarding Expenses  
₹2510 Crs.
- Manufacturing & Other Costs  
₹1981 Crs.

### Cost & Profit as Percentage of Total Income 2014



- Financial Cost  
₹64 Crs.
- Profit Before Tax  
₹1783 Crs.
- Cost of Materials Consumed  
₹794 Crs.
- Employee Costs  
₹582 Crs.
- Depreciation & Amortisation Expenses  
₹510 Crs.
- Power & Fuel  
₹2265 Crs.
- Freight & Forwarding Expenses  
₹2439 Crs.
- Manufacturing & Other Costs  
₹1970 Crs.



---

# Cutting costs predictably had an impact on product quality. It improved.

---

Ambuja has increasingly adopted PPC – Portland Pozzolona Cement. The benefit of PPC is that it utilises fly ash, a by-product of the power industry. Fly ash is not only cost-effective, it replaces natural limestone as a raw material.

The Ambujanagar Plant team decided to go one step ahead, and attempt to increase the proportion of fly ash in PPC. However, the increased addition of fly ash is a complicated task, as too much can affect the product quality. At first, the team tried increasing fly ash from 30% to 32%, but the results predictably did not satisfy the high standards that Ambuja maintains.

As a running plant, it was crucial that they arrived at the right solution, and fast. After many nights spent pouring over plans, our engineers came up with a radical idea. It involved taking a step back, often a good idea to solving a problem.

They found that separately grinding the fly ash and mixing it with the Clinker material at the final stage, instead of premixing at the beginning, improved the quality of cement. Not to mention it saved plenty of time and resources. This allowed them to increase the amount of fly ash up to 33%, an unprecedented number.

The results were dramatic. There was lesser power consumption and production costs were lowered. All of which resulted in savings of ₹10 crores per annum at the Ambujanagar unit. Additionally, the new process led to the conservation of large quantities of limestone, and a reduction of carbon emissions, thus improving the sustainability footprint.

It was the **I Can** spirit that inspired our people to challenge convention, by proving that you can cut costs and still improve product quality.



---

# The plant was running at maximum capacity.

---

---

## A perfect opportunity to raise productivity by 38%.

---

The Ambuja Rabriyawas Plant faced a situation of aplenty. Plenty of demand. The supply, however, wasn't matching those numbers. At this point the Rabriyawas Plant was producing 7,500 Tons of cement per day. In a bid to increase output, the plant machinery was pushed to maximum capacity. But despite this, they were falling well short of the required quantity. To add to the problem, the industry peak of December loomed large.

It was now up to the Ambuja team of engineers to push the numbers up. They decided to target an incredible average of 9,000 Tons per day. To achieve it they had to completely overhaul the plant machinery. But while the improvements continued, they took pains to ensure that the functioning of the running plant wasn't stalled at any stage.

The scrutiny of our engineers went through every stage of production. And as it turned out, the smallest detail

became the biggest breakthrough. The team found that increasing the productivity of the final packing stage was the most crucial step. The packing units were then expanded from 8 to 12 outlet spouts, immediately increasing output.

Now that the machines were working more efficiently, our people refused to fall behind. The entire Packing Plant team worked round the clock. Even the engineers and technicians made themselves available 24 hours to solve maintenance problems immediately.

With this increased pace, the team surpassed all expectations to produce a record 10,000+ Tons per day for two consecutive days. The efforts led to a 38% increase in productivity; and a 54% increase of product availability in the market.

It was the **I Can** spirit of the team that made a record possible, even in the face of mounting challenges.





**She passed on the torch  
to a new generation.**

**Only natural for the first  
female welder.**

Learning a new skill is challenging enough, without having to learn to deal with accompanying societal pressure. The Skill and Entrepreneurship Development Institute (SEDI) is one of the initiatives of the Ambuja Cement Foundation. It is a unique employment program for rural youth across India, offering short courses in various trades and soft skills. One such program was the Welder Training Course. The only thing the program lacked, however, was female students.

But Komal Ganpat Chunarkar changed all that. She was introduced to the course during an orientation visit by SEDI to the Chandrapur Centre for youngsters. Inspired, she quickly enrolled and made the daily, long bus journey from her native village Gadchandur to the SEDI Centre.

The community, however, didn't share her enthusiasm. Questioned constantly about her need to pursue the course, she faced the brunt of their taunts and doubts. Just as her resolve began to waver, the SEDI staff stepped in. The counsellors held regular guidance sessions with her, helping her realise how important completion was not only for her, but the people that would follow. Slowly she gained the courage and determination to complete the course. And it paid off, as SEDI also helped Komal secure a welding job in a reputed engineering company in Pune.

Today, Komal is the main breadwinner for her family. And importantly, the number of female trainees in the Welding Course has now risen to six. Which goes to show that one good example is like any good investment – they always multiply.

## **DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

Dear Members,

We are pleased to present the Annual Report of the Company for the year 2015.

### **1. INDIAN ECONOMY**

#### **A POSITIVE YEAR OF MACROECONOMIC STABILITY**

The Indian economy has certainly performed creditably compared to most developed and emerging markets of the world in the past year. The macroeconomic condition is stable; consumer price inflation is well under control and the wholesale price inflation is in negative territory; there have been four interest rate cuts by the Reserve Bank of India; and thanks to historically low prices of crude oil, minerals and metals, input costs have reduced with the balance of payment situation being better than it has been in the last five years. The latest estimates of the Central Statistical Organisation suggest that growth of India's Gross Value Added for the fiscal year 2014-15 will be at around 7.3%, which is not only higher than the previous year's but also the best among large emerging economies. All this ought to augur well for the cement industry.

Even as the economy has made progress, this has yet to show a positive impact on significant demand revival and improved corporate earnings. Two consecutive weak monsoon seasons along with stalled reforms due to political discord remain concerns. So, too, the relatively modest pace of infrastructure growth which has a direct bearing on the cement industry.

#### **THE CEMENT INDUSTRY:**

##### **INDISPENSABLY LINKED TO ECONOMIC GROWTH**

Cement is indispensable for nation building and has a direct linkage with the nation's health and growth. Despite the economy clocking growth at over 7% in 2015, cement production remained subdued, growing by a modest 1% to 2% as against 6%, the previous

year. Cement demand remained weak primarily due to low consumption from end-user sectors and procedural delays in clearances for industrial and infrastructure projects.

Moreover, the cement industry is confronting excess capacity resulting in lower capacity utilization. This gap between demand and supply will shrink when major infrastructure projects come into play.

The industry has evolved over time to become more organised, efficient and structured; and has achieved substantial improvements in manufacturing technology. Innovation, increased use of blended cement, increased energy efficiency, advanced technology and use of alternative fuels have played an important role in protecting the environment and have helped the nation preserve its rich natural resources.

### **2. FINANCIAL RESULTS 2015**

#### **AT A GLANCE (STAND-ALONE RESULTS):**

- Cement production increased by 0.5% to reach 21.5 million tonnes, from 21.4 million tonnes while clinker production decreased by 3% to 14.4 million tonnes, from 14.9 million tonnes in 2014.
- Domestic cement sales volume in 2015 increased marginally to 21.5 million tones. Clinker sales (including exports) decreased from 0.61 million tonnes in 2014 to 0.27 million tonnes in 2015.
- Net sales at ₹ 9,368 crores were down by 5.5% than that of the previous year's ₹ 9,911 crores. Average sales realisation decreased by around 3.9% at ₹ 4,297 per tonne against approx ₹ 4,474 per tonne in 2014.
- Total (operating) expenses for the year 2015 were marginally lower than the previous year.
- The Company achieved an absolute EBITDA of ₹ 1,531 crores which was lower by 20.6% over the corresponding EBITDA of ₹ 1,928 crores of the year 2014. This was mainly on account of lower cement sales realisation.
- Profit before Tax at ₹ 1,172 crores was down by 34.3% over corresponding Profit before Tax of

₹ 1,783 crores for the year 2014. Fall in Profit before Tax was due to lower EBITDA and additional depreciation charge on account of implementation of the provisions of new Companies Act, 2013.

- Net Profit at ₹ 808 crores was down by 46% over

corresponding Net Profit of ₹ 1,496 crores for the year 2014. This was mainly due to lower Profit before Tax coupled with write back of tax provision in previous year of ₹ 176 crores as against additional tax pertaining to previous years of ₹ 56 crores during current year.

Amount in ₹ crores

	Stand alone		Consolidated	
	Current Year 31.12.2015	Previous Year 31.12.2014	Current Year 31.12.2015	Previous Year 31.12.2014
Sales (Net of excise duty)	9,368.30	9,910.70	9,388.00	9,930.54
Profit before interest, depreciation and exceptional item	1,889.66	2,357.42	1,895.48	2,352.60
Less: Finance costs	91.79	64.48	92.47	65.55
<b>Gross profit</b>	<b>1,797.87</b>	<b>2,292.94</b>	<b>1,803.01</b>	<b>2,287.05</b>
Less: Depreciation and Amortisation Expense	625.66	509.53	629.76	513.03
Profit before Tax	1,172.21	1,783.41	1,173.25	1,774.02
Less: Tax Expense	364.65	287.05	365.37	287.51
Profit after Tax but before Minority Interest	807.56	1,496.36	807.88	1,486.51
Less : Minority Interest	—	—	—	(0.01)
<b>Profit for the Year</b>	<b>807.56</b>	<b>1,496.36</b>	<b>807.88</b>	<b>1,486.50</b>
Add : Balance as per the last Financial Statements	1,655.93	1,230.69	1,941.15	1,525.77
<b>Profit available for appropriation</b>	<b>2,463.49</b>	<b>2,727.05</b>	<b>2,749.03</b>	<b>3,012.27</b>
<b>Appropriations:</b>				
General Reserve	—	150.00	—	150.00
Adjustment for Depreciation and Amortization as per Schedule II of the Companies Act, 2013	106.63	—	108.91	—
Dividend on Equity Shares (including interim)	434.53	774.61	434.53	774.61
Corporate Dividend Tax	88.46	146.51	88.46	146.51
<b>Total</b>	<b>629.62</b>	<b>1,071.12</b>	<b>631.90</b>	<b>1,071.12</b>
Balance carried forward to Balance Sheet	1,833.87	1,655.93	2,117.13	1,941.15

### 3. DIVIDEND

The Company paid an interim dividend of 80% (₹1.60 per share) during the year. In view of the substantial decline in the Profit after Tax for the full year and with a view to conserve resources for the future requirements, the Directors have recommend a final dividend of 60% (₹1.20 per share). Thus, the aggregate dividend for the year 2015 is 140% (₹2.80 per share) and the total payout will be ₹522.99 crores, including dividend distribution tax of ₹88.46 crores. This represents a payout ratio of 65%.

### 4. MARKET DEVELOPMENTS

In the backdrop of almost static national cement demand, the Company's cement sales in 2015 increased marginally to 21.5 million tonnes as compared to 2014. Due to the poor global economic situation and lacklustre demand, the Company did not venture into export of cement in 2015.

#### REGION-WISE SALES VOLUME / GROWTH

In the North region, the cement sales of the Company remained flat at 8.7 million tonnes in 2015.

In the East region, the Company achieved sales of 4.6 million tonnes, registering a growth of 2.2% over the previous year sales of 4.5 million tonnes.

In the West & South region, the Company's domestic cement sales in 2015 declined by 1.2% to 8.2 million tonnes as compared to 8.3 million tonnes achieved in 2014.

### DISTRIBUTION NETWORK

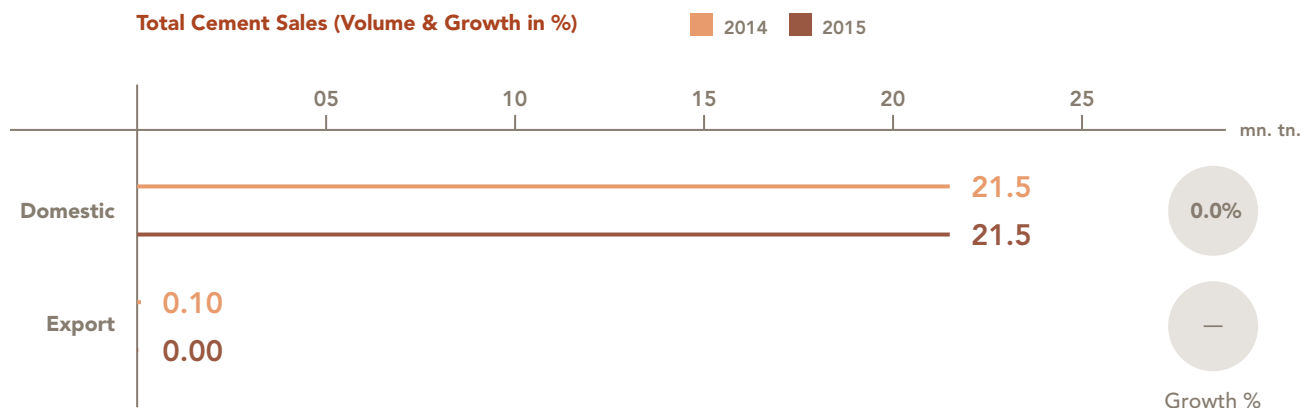
Our quality products are marketed and distributed pan India with our strong network of Sales Offices and warehouses with well-trained & experienced personnel. Vast distribution network of evolved dealers and retailers whose reach helps the Company to cater to all markets including rural and semi-urban markets. This, coupled with the strong brand equity and efficient channel management, helped the Company withstand severe competition.

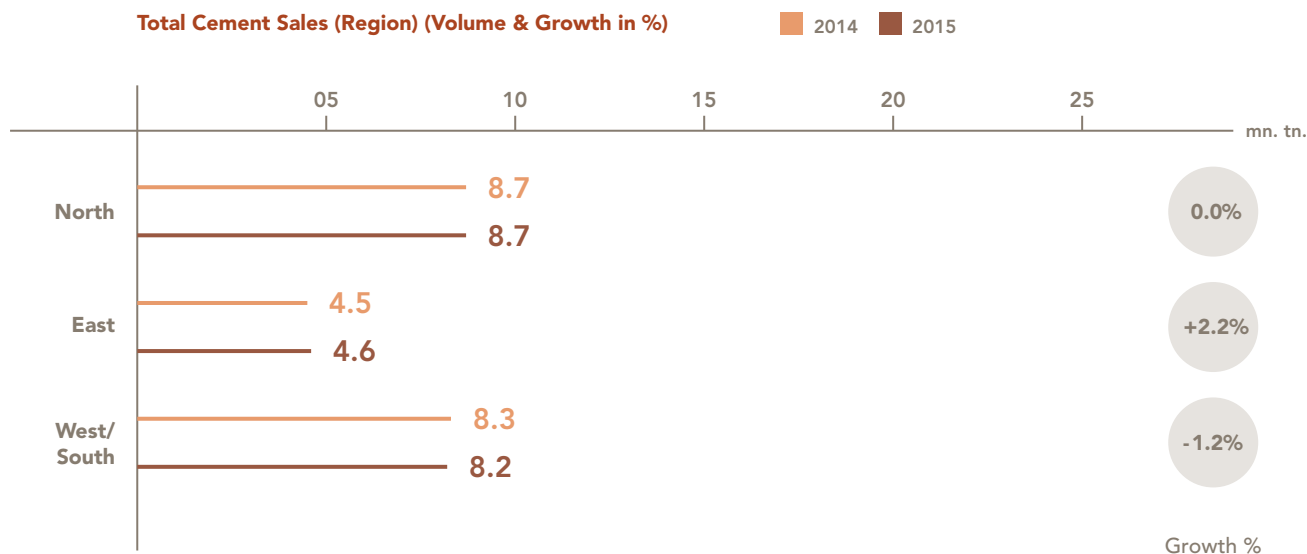
While the Company's network of ports, bulk cement terminals and captive ships supported a sustainable and strong market position in Mumbai, Surat and Cochin, the Mangalore bulk cement terminal, with its commercial operations, helped expand the Company's footprint in the South region.

### CUSTOMER EXCELLENCE

The Customer Excellence platform helped create a uniform and standard approach of working at the marketplace. Through this, we have been successful in monitoring the performance of our footprint across the country. This was further aided by the Net Promoter Score (NPS) survey that helped the Company identify and focus on providing even better and robust innovative solutions to fulfil our customers' needs.

Backed by our vast experience of providing quality products since its inception, the Company introduced the Special and Premium category of products in





selective markets which were received well and appreciated by consumers.

## PRODUCT QUALITY

### UPHOLDING A LEGACY OF TOP QUALITY CEMENT

Besides strength, bag-to-bag consistency is the hallmark of Ambuja Cement. It's perhaps why Ambuja Cement is the preferred choice of the entire spectrum of consumers – from sophisticated infrastructure projects to high rise structures and small individual home builders in small towns.

Over the last three decades, Ambuja has followed this philosophy to produce excellent quality of cement from all its plants from a range of raw materials. Over these years, it has also lowered the clinker factor by inventing new techniques of using different kinds of fly ash, an environmentally hazardous waste of thermal power plants. The global knowledge and expertise of LafargeHolcim has come handy in these inventions.

To maintain a high standard of quality, the Company has set the Product Quality Management (PQM) system designed with the help of LafargeHolcim expertise.

Today, Ambuja Cement is acknowledged as one of the finest cements in the world. It is even more

commendable that it has achieved this position with a clinker factor among the lowest in India.

## BRAND BUILDING

2015 saw yet another milestone in the history of the brand. Our new TV commercial – 'The Great Khali's house' – became an instant hit with people across different social strata and geography. It went viral on the digital medium clocking more than two million views on YouTube alone. The advertising and marketing community has rated it as one of the best advertisements of recent times.

Even as the advertisement created a buzz in our dealer network thanks to digital platforms like WhatsApp and YouTube, it has also given a fresh push to the brand in the market besides setting up a new benchmark in advertising.

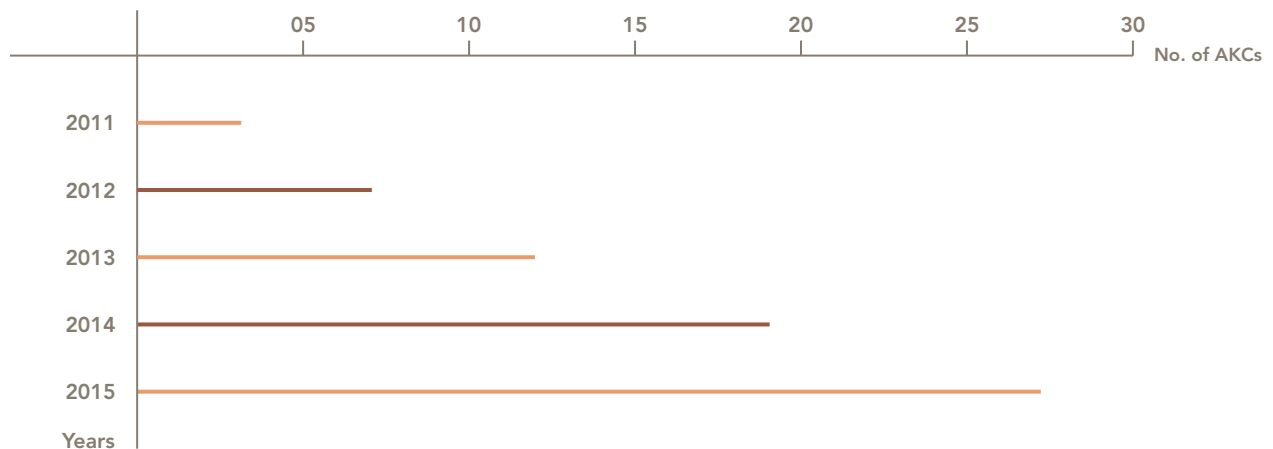
Impact magazine has rated this ad as one of the best in 2015. It seems the tradition of creating iconic communication which began with the 'Giant' around three decades ago, continues.

## TECHNICAL SERVICES

Ambuja's technical services team, that consisted of 300 expert civil engineers, continued to work closely with the individual house builder, contractor and



### AKC Growth



customers. These engineers have scientifically developed innovative techniques of concrete mixing and curing.

The response was so overwhelming that the number of sites serviced by our engineers increased three times.

Ambuja also reached out to over 20000 contractors through a series of technical training programs and easy-to-use mobile apps.

#### SPREADING INDUSTRY KNOWLEDGE

Simultaneously, a network of 27 Ambuja Knowledge Centres (AKC) was set-up in metros and main towns including Mumbai, Delhi, Kolkata, Chandigarh and Ahmedabad.

The AKC is a platform of knowledge-sharing among construction professionals. Besides hosting a series of lectures and seminars on contemporary practices where speakers from all over the world participate, these AKCs also conduct regular training workshops on mix designs, hi-rise structures for young site engineers and quality control experts from various large construction companies and builders.

Two of our well-equipped concrete testing laboratories have received the coveted National Accreditation Board of Testing and Calibration Laboratories (NABL)

certification by the Department of Science & Technology, Government of India. These are India's first such laboratories in the cement industry.

#### ENHANCING CHANNEL ENGAGEMENT

Ambuja Cement has built a unique relationship with its dealer network over the last three decades. We call it Ambuja Parivar. Besides annual conferences and events, it also includes high-end training programs, designed and conducted by top management schools in India like Indian Institute of Management (IIM) of Ahmedabad, Lucknow and Bhopal; and Indian School of Business (ISB), Hyderabad, as well.

These training interventions have increased our dealers' efficiency in terms of Ambuja's objectives and reiterated our promise to our dealers for – Best Product, Best Support and Best Service.

#### LOGISTICS

Logistics continued to focus on Cost, Service and Safety in operations throughout 2015. Despite the 4% increase in rail freight, the total distribution costs per tonne were lower than in 2014 by 2% mainly due to a diesel price decrease and various Logistics savings initiatives like focus on direct despatches, reduced lead distance, lowering packing bags costs and improved home market sales, among others.

Network Optimisation projects were rolled-out to



study and quantify benefits. Optimiser Tools were launched in all the regions along with the rollout of the sales and operations planning (S&OP) process to integrate and increase coordination between sales and operations. Material allocations from the optimiser improved cost performance. On the safety front, the Indian Road Safety Programme (IRSP) was rolled out with focus on improving driver safety and behaviour. The use of Global Positioning System (GPS) / Radio Frequency Identification (RFID) to reinforce and improve journey management standards is underway. There is also focus on making parking yards safe through design and process change.

Logistics infrastructure was improved with the packer installation at our units at Rabriyawas (Rajasthan) and Sankrail (West Bengal).

## 5. COST DEVELOPMENTS

The Company was able to achieve a lower total

operating cost this year backed by favourable fuel prices and excellence programme undertaken by the Company with an aim to improving efficiency.

### MAJOR COST MOVEMENTS

- i) Cost of **major raw materials**, fly ash and gypsum, decreased by 1% and 5% respectively on per tonne basis. Overall, the raw material cost per tonne was largely flat compared to the previous year.
- ii) **Power and fuel** costs account for approximately 24% of the total expenses. Coal cost for kiln reduced by 11% while coal cost for captive power plants increased by 1%, mainly due to higher cost of imported coal. Substitution of high cost coal in the kiln by pet coke usage helped in restricting overall cost increase. The Company was also able to increase its usage of alternate fuels by 2% over the usage for the year 2014. Usage of alternate



fuels accounted for 6% of total thermal energy consumption in 2015. **Cost of grid power** increased by 3% on per unit basis; however, cost of captive power was restricted to just 2% increase in 2015. Captive power generation contributed 66% of the total power requirement.

**Overall**, power and fuel costs have decreased by 1% on per tonne basis as compared to the previous year.

- iii) **Freight and forwarding cost** worked out to 29% of total expenses. On per tonne basis, cost increase was restricted to just 2% due to the positive impact of declining diesel prices and various logistic optimisation efforts, such as focus on direct despatches and reduced lead distance by improving home market sales and efficient utilization of chartered ship.
- iv) **Other expenses** at 23% of the total expenses remained the same as the previous year. This was possible on account of reduction in the cost of **packing bags** which came down by 17% over the previous year, on the back of a decrease in PP granule prices. Further, the Company's repairs and maintenance expenses reduced by 6% over the previous year.

#### **COST MITIGATION MEASURES**

##### **AND EFFICIENCY IMPROVEMENT INITIATIVES:**

##### **PROMOTING SUSTAINABLE EFFICIENCY**

- i) Keeping in line with the Company's philosophy of Sustainable Operations, a number of initiatives were undertaken to enhance fly ash consumption in PPC with quality.
- ii) To mitigate risk associated with the dynamic fuel market, the Company has developed abilities to switch to the most economical fuel mix. This has led to an increased focus on usage of low cost fuels like petcoke.
- iii) 'GEO 20', an initiative for the usage of cost efficient and sustainable green fuel, which has

been in operation and now stabilized. An increased usage of green fuel has helped reduce energy costs and carbon footprint.

- iv) The replacement of MP turbine with HP turbine at Maratha Cement has led to visible improvement in efficiency, leading to lower power generation cost. Another move to reduce energy cost is the replacement of voltage variable frequency drives (VVFDD) to achieve lower power consumption.
- v) A separate Grinding and Blending project at Ambujanagar has been commissioned. This system will help produce consistent, high quality cement and also help in reducing the power consumption.

## **6. EXPANSION PROJECTS AND NEW INVESTMENTS**

### **EXPANDING RESPONSIBLY TO SERVE BOTH ECONOMIC AND ENVIRONMENTAL INTERESTS**

The Company took up several projects to serve its customers in a more efficient, cost-effective, reliable and environment-friendly manner, while bolstering its market position in the industry.

#### **CAPACITY EXPANSION DURING THE YEAR**

- i) The new Roller Press at Sankrail has been installed. Once production stabilises, the Roller Press will help increase the grinding capacity by 0.9 million tonnes and will also reduce the energy consumption.
- ii) The waste heat recovery system (WHRS) plant at Rabriyawas constructed with an investment of ₹85 crores is commissioned to bring efficiency in fuel utilization, optimize power costs and meet our Renewable Power Obligation.
- iii) In order to strengthen logistics capability and extend its reach to customers, a new railway siding project to connect the plant location with the nearest railway junction has been initiated at the Rabriyawas unit in Rajasthan. The total project cost has been estimated at ₹250 crores and the

project is likely to begin operations in 2017.

- iv) The Brownfield expansion project of master packer and auto wagon loading is in the commissioning stage at Sankrail and scheduled for completion during the second quarter of 2016. New packer and auto loaders will improve the despatch capacity.

#### UPCOMING CAPACITIES AND INVESTMENTS

- i) Ambuja acquired a new coal block – the Gare-Palma sector-IV/8 in Chhattisgarh - through the e-auction of coal blocks conducted by the Government of India. This acquisition will secure long term security and savings in cost of fuel for the plants. The estimated CAPEX for the development of this coal block would be approximately ₹370 crores and mining operations expected to commence in 2018.
- ii) The Company proposes to put up an integrated cement plant of 4.50 million tonnes at Marwar Mundwa, Nagaur district in Rajasthan and associated grinding units at Osara (MP) and Dadri (UP) at an estimated cost of ₹4000 crores. The project construction work is yet to start.

The year 2016 will see capital expenditure worth ₹400 crores. The entire proposed expenditure would be financed by internal accruals.

## 7. OUTLOOK

To facilitate rapid economic growth, big structural reforms, faster approvals with major support of fiscal and monetary policy would be necessary. Tangible policy actions are required to facilitate investment. While the Government's commitment of fiscal conservatism and higher expenditure on salaries on account of Pay Commission may likely to have an impact on capital expenditure, it is also expected to lead to demand generation.

For robust and sustainable growth, private investment and exports need to revive and the Indian rupee needs to remain stable. India has to remain competitive and be able to pass on the benefits to its

domestic audience for inclusive and sustained growth. Investments in education, training, manufacturing and infrastructure are the need of the hour.

#### GETTING GROWTH BACK ON TRACK

As mentioned earlier, with substantial surplus capacity, the cement industry is at relatively low levels of capacity utilisation, with its concomitant effects on overall profitability. Utilisation has to improve for recovery of capital investment and for this, cement demand has to get back to +6% growth.

We expect much of this incremental demand to come from Government-backed projects. Concretisation of roads, dedicated freight corridors, development of Smart Cities, Metro Rail projects, construction of toilets under 'Swachh Bharat Abhiyan', the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) are major thrust areas which can drive cement consumption. The Government's focus on infrastructure and 'Make in India' are well-placed and the planned expenditure/initiatives will surely benefit the cement industry.

#### GOVERNMENT INITIATIVES PAINT A POSITIVE PICTURE

With the easing of rules for foreign direct investment (FDI) in the real estate sector and reduction of interest rates, the commercial and residential real estate sectors are also likely to drive cement consumption. Factors that will influence this trend in the medium to long term will be increased per capita income, housing needs of nuclear families, rapid urbanization and government stimulus to various rural and affordable housing schemes.

Given the enormous need for infrastructure and housing, which require large quantities of cement as a basic building material, the prospect of industry over the medium term is bright. Consistent increase in demand should absorb the excess supply and also improve the utilisation of the industry.

## 8. RISKS AND AREAS OF CONCERN

#### STAYING ONE STEP AHEAD OF RISK

Risk management has always been an integral part of the corporate strategy which complements

the organizational capabilities with business opportunities, robust planning and execution. The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a well-defined framework.

In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. A Risk Management Committee under the chairmanship of Mr. Rajendra Chitale, Independent Director, has also been constituted to oversee the risk management process in the Company. Based on a detailed review, the following key risks have been identified:

#### SECURING RESOURCES FOR FUTURE

Land, limestone and coal are the basic inputs for manufacturing cement. Even though we have sufficient reserves, but to sustain our brand and quality for the future, as well as securing additional reserves are critical. With respect to coal, quality and price are both matters of concern. Availability of mining land for limestone is also a rising concern for the Company, which would require huge CAPEX. While a coal block has been allotted through auction to secure coal availability, there is a need to secure the limestone supply.

#### FUTURE REGULATION

A number of potential future regulations facing the cement industry have been identified by the Company, related to air quality, energy and carbon management, biodiversity, land and water.

Being a responsible corporate citizen, compliance to all regulations is the prime concern for the organisation and its management, which will require substantial CAPEX in the future.

#### DEMAND SLOWDOWN

Despite the initiatives announced by the Government, cement demand did not pick up as anticipated. Many projects/policies were announced/initiated by the government to support and aid the growth of industry; however, the pace of investments and construction activities continued to remain low in 2015 more so due to slowdown in rural economy.

Expectations and ground realities are yet to meet.

Demand growth is vital and seen as a concern for short term. With increased allocation for infrastructure and construction, it is expected that cement demand will grow and with other policy initiatives, it is expected that some much-needed investments will be forthcoming by consuming sectors.

Inflation has been under control and it is expected that this will remain contained to allow more purchasing power for the general population which will aid cement growth.

Global jitters are already being felt in India leading to uncertainty in the general economic perception. It is hoped that India will continue to shine and be a destination of choice for global investment.

#### TAXATION & ADMINISTRATIVE BURDEN

##### A NEED FOR UNIFORMITY

High taxes and administrative burden continues to remain a major concern for the cement industry; along with steel, the two form an important raw material for the 'infrastructure' and 'real estate' sectors. However, steel, falls under the category of 'Goods of Special Importance', and attracts a lower tax rate @ 4%, whereas cement does not; and this makes cement subject to higher tax in comparison to other building materials.

The solution to this issue lies in the rolling-out of a uniform tax regime through the implementation of the Goods and Services Tax (GST). The government has taken strides towards getting Cabinet approval of the GST Bill that is slated to play a critical role in the next level of growth and truly realise the

full extent of the country's potential.

## 9. HUMAN RESOURCES

### INVESTING IN OUR MOST IMPORTANT RESOURCE – PEOPLE.

In our journey to ensure better productivity in 2015, we moved to a function-centric organisational structure from a region-based structure. This transition is to enable faster and expertise-led decision making at all levels and reduce the response time to external environmental challenges. This initiative also helped in enhancing functional excellence and better resource mobilisation. As a result, our manpower productivity improved by 19% over 2014.

We institutionalised Sustainable Talent for Enhanced Performance (STEP) in 2012 and after the successful graduation of 96 managers in 2014, it was now important to take the high performance coaching program to the next level. Ambuja STEP-II was launched in January 2015 with 60+ participants who underwent an enriching and fulfilling journey of 12 months. Our emphasis on building and developing leaders is more focussed in this journey where 35 of the top certified participants will take up the role of people coaches.

This learning journey includes formal, informal and highly interactive components that would help in honing their coaching skills. It will ensure that the development initiatives result not just in better skills but in enhanced performance and higher engagement.

Our programme on Rewards & Recognition (R&R) is promoting a healthy performance culture and helps recognize employee achievements and contributions which will go a long way in building high employee engagement.

We also embarked on the journey of establishing the Business Shared Service Centre (BSC) - now called One India BSC - to streamline and align the Finance and HR operations for Indian operating companies of LafargeHolcim group (ACL and ACC) with the twin objective of increasing the effectiveness and efficiency

of our processes and improving the overall customer experience (internal and external).

## 10. SUSTAINABILITY AND ENVIRONMENT

Our journey to achieve sustainability continued this year with improved performance on several parameters of governance, environment protection as well as social responsiveness. This was achieved through a variety of initiatives that we undertook together with systems and processes to keep pace with long term objectives of the Company.

### WE'VE CUT BACK. ON CARBON EMISSIONS.

A 6.5 MW **Waste Heat Recovery System** (WHRS) for power generation was commissioned at the Rabriyawas plant in Rajasthan which will further reduce dependence on fossil fuel for power generation and consequently, the Company's carbon footprint. We also completed measurement of Scope-3 carbon emissions at Rabriyawas plant and are embarking upon the same for our other four integrated plants as well. In addition, we have initiated capacity building of our environment managers for gearing up towards Environment Product Declaration (EPD) and Life Cycle Assessment (LCA) of our products. These efforts will take us a step closer to sustainability product certification/labelling for cement production similar to the pilot conducted for the Darlaghat plant in 2014.

Natural Capital Action Plan (NCAP) is being attempted through inputs from Confederation of Indian Industry-India Business Biodiversity Initiative (CII-IBBI) as a part of our effort to ensure sustainable ecology by way of biodiversity and natural capital conservation.

All our plants have initiated ambient air quality and process emission parameters reporting on a real-time basis on websites of regulatory authorities for transparency and public information.

### GAINING RECOGNITION

#### FOR SUSTAINABILITY PERFORMANCE

Our continued sustainability performance has been recognised by external assessments and awards. For the 5th time in a row, the Company bagged the



prestigious CII Sustainability Award 2015 for 'Corporate Excellence-Commendation for Significant Achievement in category 'A'.

#### **PARTNERING FOR ENVIRONMENT PROTECTION**

We continued our collaboration with various stakeholders for the cause of environment protection and sustainability. These included joining hands with **Cement Sustainability Initiative (CSI)** of World Business Council for Sustainable Development (WBCSD) for the implementation of the India specific '**Low Carbon Technology Road Map for Cement Industry**', and the launch of the **India Water Tool (IWT)** version 2.0 in early 2015. This tool will help companies understand and respond to their growing challenges of managing water effectively and identifying water risk areas. Our partnership with **India Business and Biodiversity Initiative (IBBI)** of CII supported by Ministry of Environment, Forests & Climate Change and GIZ continued with even

greater focus on training, awareness, standards, policies and implementation on Biodiversity Conservation.

#### **MATERIALITY REVIEW**

The Company launched a comprehensive Materiality Review in 2015 to facilitate a good understanding of the Company's obligations to its stakeholders consistent with the business's commitment to corporate responsibility and to find out material issues. It has provided a platform for promoting transparent communication and providing an opportunity for the Company to identify and address stakeholders' interests.

The Global Reporting Initiative guidelines on stakeholder engagement was followed and engagement was designed with the objective of issue-based, proactive, learning oriented implementation which helped achieve tangible results in alignment

with the Company's targets. The stakeholder engagement program was deployed in phases focusing on each identified stakeholder sector individually and the organisation. Gap analysis was conducted to constantly revise the engagement strategy and include the emerging materiality issues into its business sustainability agenda.

#### **SUSTAINABILITY REPORTING**

We shared our 8th annual corporate **Sustainability Development Report** on triple bottom line performance for the year 2014 following GRI G4 (Comprehensive) guidelines with 'Assurance' by an independent certifying agency as per AA1000 assurance standard. We have responded to the Metal and Mining Sector Supplement of the GRI while reporting on our Sustainability performance to our stakeholders. The Company has also been issuing **Business Responsibility Report (BRR)** as a part of its Annual Reports since 2012. The process also entailed a detailed **Materiality Review** as detailed above with our internal as well as external stakeholders.

#### **ADDITIONAL REPORTING AND DISCLOSURES**

Apart from voluntarily reporting our Carbon emissions performance on Carbon Disclosure Project (CDP) since 2010, the Company voluntarily reported on CDP Global Water Report 2015 being one among eight Indian companies reporting on the same. Ambuja continued its good performance in CDP Climate Change Leadership Index 2015 and scored 97 out of 100.

We also initiated reporting in the Dow Jones Sustainability Index (DJSI) for Emerging Markets in 2015 to benchmark ourselves with the leading companies in the sector for further improvement.

#### **11. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has made conscious efforts to involve communities in its development journey through Ambuja Cement Foundation (ACF), the CSR arm of the company. ACF realized its responsibility to co-exist peacefully with the host communities, and over the past two decades has kick-started multiple programmes at 21 locations across 11 states.

ACF's programs are focussed on: Water Management, Skill and Entrepreneurship Development, Healthcare, Education, Women Empowerment and Agro-based Livelihoods. Detailed report on CSR activities including amount spent is given in **Annexure I**.

#### **WATER MANAGEMENT**

With the motive of 'giving more than we take', ACF has been working in Gujarat, dry arid territories of Rajasthan, hilly regions of Darlaghat and the water scarce state of Andhra Pradesh. To date, ACF has reached out to more than 400,000 people across locations. Initiatives like renovation of traditional water reservoirs, pond deepening, roof rain water harvesting structures (RRWHS) and reverse osmosis plants, among others have improved accessibility to healthy drinking water. In addition, these initiatives have improved the quality of land and environment.

#### **THE ONLY WATER POSITIVE CEMENT COMPANY IN INDIA.**

As a result of these efforts, the Company was certified as 4.03 times water positive. ACL's Rabriyawas plant, located in middle of a desert in Rajasthan, has been certified 13 times water positive. For Rabriyawas, water has changed the landscape in the region, with improvement in not just biodiversity and land quality, but also the livelihoods and lifestyle of people.

Ambuja Cement is the only water positive cement Company in India with total water credits of 31 million cubic metres.

#### **AGRO-BASED LIVELIHOODS**

Strengthening community through sustainable livelihoods programmes has changed the lives of youth, women and farmers in nearby communities.

The agro-based livelihood generation programme to make agriculture and allied activities a sustainable source of livelihood has introduced the farmers to new technologies and created market linkages reaching out to over 85,000 farmers. Crop specific programmes - Better Cotton Initiative (BCI) reached out to more than 26,000 farmers covering 40,000 hectares of land and System for Rice Intensification (SRI) project has



covered 800 farmers, and is in an expansion mode. The initiative to promote animal care has changed lives of many women in Darlaghat. The local women are trained as para-veterinarians or Pashu Swasthya Sevikas (PSS), thus providing the much needed access to cattle care, improving the status of agriculture allied activities. To promote allied farming livelihoods, the farmers were introduced to **Alternative Fuel Resource (AFR)**, where they get paid by Ambuja to provide bio-wastes like sugarcane trash, leaves, cotton stalk, wheat straw and other crop residues as biomass.

To enhance alternative means of livelihood and develop the skills of community youth, ACF has established 16 **Skill and Entrepreneurship Development Institutes (SEDI)** across 10 states that provides vocational training in 12 sectors. Till date, SEDI has trained almost 26,400 youth, of which 70% have been successfully placed in various industries.

SEDI, Nagaur (Rajasthan) has trained 60 physically challenged youth, of which 90% have started their independent enterprises.

#### HEALTH AND SANITATION

ACF has been actively working on clinical, preventive and promotive healthcare through mobile medicare units, community health clinics, diagnostic centres and specialised health camps. The health projects are implemented in close coordination with Public Health Departments, panchayats, Village Development Committees and led by a cadre of voluntary health workers or “sakhis”, who work as the interface between the public health system and the community. Today, sakhis are active participants in the village health and sanitation committees, vocal at gram sabhas about healthcare issues and are resource persons promoting awareness on rural health and hygiene.

#### KEEPING IT CLEAN

ACF along with Women’s Federations in Chandrapur (Maharashtra) and Kodinar (Gujarat) encouraged people to construct toilets in their households to improve health and sanitation. The two Federations, with 435 self help groups (SHG) and over 4800 members are driving communities to adopt hygienic

practices. In Darlaghat (Himachal Pradesh), children from the community ensured an open defecation free (ODF) village. Known as “Swachata Doot” (Messengers of Cleanliness), these children spread the message by demonstrating hygiene and cleanliness in their allocated area.

As part of the sanitation project, more than 22,000 toilets have been constructed in 130 villages in different locations of the Company. ACF aims to make all the villages that they are working in 100% ODF by 2020. Under the school sanitation programme, ACF has resolved issues in 172 schools. Each of these schools have a vigilance committee with school children as committee members, ensuring cleanliness and sanitation in their school premises.

#### AMBUJA MANOVIKAS KENDRA (AMK)

At this special facility for intellectually challenged children in Ropar, Punjab, two students brought glory to their school at the Summer Special Olympics 2015 organized in Los Angeles, USA. Meera Kumari and Pawandeep Singh won the gold and bronze medals in the cycling and basketball categories respectively. This has added yet another credit to AMK with seven of its students to date, having won 11 medals at the Summer Special Olympics under different categories.

#### STAKEHOLDER ENGAGEMENT

ACL’s communities and stakeholders participate in identifying issues and evolving solutions in a systematic and continuous manner.

- **Community Advisory Panels (CAP)** consisting of community members and members from Ambuja Cement, meet regularly to discuss the community concerns.
- **Community Engagement Plans (CEP)** are prepared annually by ACF in close consultation with the community and ACL units, based on concerns raised at CAPs and other stakeholder meetings.
- **Social Engagement Scorecard (SES)** is conducted annually at all locations, to provide a review of programs in the form of group discussions and opinion leader interviews.
- **Site Specific Impact Assessments (SSIA)** are

conducted cyclically to apprehend the insights and needs of all stakeholders of the Company.

## **12. HEALTH & SAFETY (H&S)**

Health & Safety is an overarching value for all of us at Ambuja. The Company is committed to ensure safety of all its employees, contractors and everyone associated with it. It firmly believes in the policy of "Zero Harm". Our onsite performance has gradually improved since 2013. From ten fatalities in 2013, it was three in 2014 and one in 2015. The 'We Care' - our Health & Safety Excellence Journey initiative launched across the Company the previous year has remarkably helped in changing the mindset of our people and strengthening the safety culture in the Company.

It was observed that everyone across the plants was speaking the language of safety. Under 'We Care', Health & Safety was made a line responsibility and not the functional obligation. This led to standardization of processes, increased participation, involvement and engagement of people on the ground.

For capability building, a mass training program was rolled out for 6500 employees and contractors involved in high risk activities; also conducted certification programs with the help of external experts. With the objective of emotional engagement and changing mind-set towards safety, 12000 people were connected through sensitization workshops and behaviour-based training (BBS) for over 900 front-line staff and workers. A Reward & Recognition program was introduced where 374 individuals and 31 teams were rewarded for proactive interventions.

Even as our efforts in 2015 have been good, we need to continue the momentum in the coming year especially in improving H&S engagement and accountability. In 2016, our focus will be on implementation which would include enforcing on-ground learnings and demonstrating it too. Besides rewards, there is a need to introduce consequence management for any non-compliance on safety. A matter of concern has been Vehicular & Traffic Safety, which will be incorporated this year as part of our larger strategy.

So far, we have been on the right track on our H&S journey and our teams are committed to achieve the goal of Zero Harm.

## **13. MERGER OF HOLCIM LTD. SWITZERLAND AND LAFARGE SA FRANCE**

On 10th July, 2015 Holcim Ltd. Switzerland and Lafarge SA, France announced the completion of their global merger to create LafargeHolcim Ltd. (LH), a world leader in cement and building material industry. LH is present in 90 countries with around 1,15,000 employees. LH is the ultimate holding Company and Ambuja continues to receive all-round support from them in various facets of the Company's business and support functions.

## **14. ORDER OF COMPETITION APPELLATE TRIBUNAL (COMPAT)**

In June 2012, the Competition Commission of India (CCI) passed an Order levying a penalty of ₹1163 crores on the Company in connection with a complaint filed by the Builders Association of India against leading cement companies (including Ambuja) for alleged violation of certain provisions of the Competition Act, 2002. The Company filed an appeal before the COMPAT for setting aside the said Order of CCI. The COMPAT granted stay on levying the penalty imposed on the Company by CCI against deposit of 10% of the penalty amount.

In December 2015, the COMPAT finally set aside the said Order of CCI and remanded back to CCI for fresh adjudication of the issues and passing of fresh Order. It also allowed the Company to withdraw the amount of 10% deposit kept with the CCI.

## **15. TREASURY OPERATIONS**

During the year, the Company's treasury operations continued to focus on cash forecasting and deployment of excess funds on the back of effective portfolio management of funds within a well-defined risk management framework.

All investment decisions in deployment of temporary surplus liquidity continued to be guided primarily by the tenets of safety of Principal and liquidity. Proactive



management of portfolio helped improve treasury yield performance. During the year, the investment portfolio mix was continuously rebalanced in line with the evolving interest rate environment.

## **16. DEPOSITS**

The Company has not accepted any deposits from the public/members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

## **17. PURCHASE OF SHARES IN HOLCIM INDIA PVT. LTD. (HIPL) AND AMALGAMATION OF HIPL WITH THE COMPANY**

The members may be aware that the Company had proposed to acquire 24% equity shares of HIPL from Holderind Investment Limited, Mauritius and subsequently amalgamating HIPL with the Company under the Scheme of Amalgamation. The Scheme has been approved by the requisite majority of the Members and has also received assent from the Hon'ble High Courts at Gujarat and Delhi. However, the Scheme will be effective upon receipt of approval from the Foreign Investment Promotion Board (FIPB), Government of India which is yet to be received.

On the scheme being effective, the Company will hold 50.01% equity shares in ACC Limited and consequently ACC Limited and all its subsidiaries will become the subsidiary of the Company.

## **18. EMPLOYEE STOCK OPTION SCHEME (ESOP)**

During the year, the last ongoing ESOP scheme got closed and the Company did not grant any fresh stock option to its employees. Henceforth, information on stock options will be given only when fresh options are granted by the Company.

## **19. DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND LISTING REGULATIONS**

### **(I) EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the annual return is given in **Annexure II**.

### **(II) NUMBER OF BOARD MEETINGS:**

The Board of Directors met 7 (seven) times in the

year 2015. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### **(III) CHANGES IN SHARE CAPITAL:**

During the year under review, the Company allotted 21,51,635 equity shares of the face value of ₹ 2 each upon exercise of stock options under various Employee Stock Option Schemes. Consequently the equity share capital has increased from ₹ 309,94,91572 divided into 154,97,45,786 equity shares of ₹ 2 each to ₹ 310,37,94,842 divided into 155,18,97,421 equity shares of ₹ 2 each. All the equity shares forming part of the share capital rank pari-passu in all respect.

### **(IV) CONTINUANCE OF THE EXISTING FINANCIAL YEAR:**

Pursuant to the requirement of consolidation of the Company's accounts with the ultimate Holding Company, LafargeHolcim Ltd., the Company will continue to follow the Calendar Year (1st January – 31st December) as its Financial Year. Necessary approval from the Company Law Board has been obtained in this regard.

### **(V) COMPOSITION OF AUDIT COMMITTEE:**

The Board has constituted the Audit Committee which comprises of Mr Rajendra Chitale as the Chairman and Dr Omkar Goswami, Mr Nasser Munjee and Mr Bernard Terver (since resigned) as members. More details on the committee are given in the Corporate Governance Report.

### **(VI) RELATED PARTY TRANSACTIONS:**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of

Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certificate from the MD & CEO and the CFO.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [http://www.ambujacement.com/wpcontent/uploads/2015/12/policy\\_on\\_determining\\_materiality\\_of\\_rpt\\_28\\_oct\\_2015\\_revised.pdf](http://www.ambujacement.com/wpcontent/uploads/2015/12/policy_on_determining_materiality_of_rpt_28_oct_2015_revised.pdf)

#### **(VII) POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

## **20. CORPORATE GOVERNANCE**

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the listing regulations. A separate section on corporate governance under the listing regulations, along with a certificate from

the auditors confirming the compliance, is annexed and forms part of this Annual Report.

## **21. BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report for the year ended 31st December 2015, as stipulated under regulation 34 of the Listing Regulations is annexed and forms part of the Annual Report.

## **22. INTERNAL CONTROL SYSTEM**

### **INTERNAL AUDITS AND CONTROLS**

The Company's internal controls system has been established on values of integrity and operational excellence and it supports the vision of the Company "To be the most sustainable and competitive Company in our industry". Over the years, formal and independent evaluation of internal controls and initiatives for remediation of deficiencies by in house Internal Audit department have resulted in a robust framework for Internal Controls, commensurate with the size and complexity of the business.

The internal control framework essentially has two elements: (1) structures, policies and guidelines designed to achieve efficiency and effectiveness in operations and compliance with laws and regulations; (2) an assurance function provided by Internal Audit.

The Company also has well-documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted due to business needs. The Internal Audit department continuously monitors the efficiency of the internal controls/compliance with SOPs with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. This formalised system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013, the Listing Regulations and also the relevant statutes applicable to the parent organisation.

### **KEEPING AN EYE ON OURSELVES**

The scope and authority of Internal Audit activity are

well-defined in the Internal Audit Charter, approved by the Audit Committee. The Internal Audit department develops the risk based annual audit plan with inputs from business risk management, prominent stakeholders and previous audit reports. The annual internal audit plan is approved by the Audit committee.

The Audit Committee meets regularly to review reports, including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal control system.

The Internal Audit department also assesses opportunities for improvement in the business processes, designed to add value to the organisation and follows up on the implementation of corrective actions and improvements in the business processes after review by the Audit Committee.

### **23. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES**

#### **I. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Fraud and corruption-free work culture has been the core of the Company. In view of the potential risk of fraud, corruption and unethical behaviour consequent to rapid growth and geographical spread of operations, which could adversely impact the Company's business operations, performance and reputation, the Company has put an even greater emphasis to address these risks. To meet this objective, a comprehensive Ethical View Reporting Policy akin to vigil mechanism or the whistleblower policy has been laid down. More details about this Policy are given in the Corporate Governance Report, which forms part of this Annual Report. The Ethical View Reporting Policy is available on the Company website: [www.ambujacement.com](http://www.ambujacement.com)

#### **II. ANTI BRIBERY AND CORRUPTION DIRECTIVES (ABCD)**

In furtherance to the Company's philosophy of

conducting business in an honest, transparent and ethical manner, the Board has laid down ABCD as part of the Company's Code of Business Conduct and Ethics. As a Company, we take a zero-tolerance approach to bribery and corruption and are committed to act professionally and fairly in all our business dealings.

To spread awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption, employee training and awareness workshops were conducted across the organization during 2015. As part of continuous education on ABCD to the employees, a mandatory on-line training through a web-based application tool was also undertaken by approximately 4,000 employees.

The above policies and its implementation are closely monitored by the Audit and Compliance Committees of Directors and periodically reviewed by the Board.

### **24. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **I. DEMISE OF CHAIRMAN EMERITUS**

Mr. Suresh Neotia, one of the founder promoters of the Company left for heavenly abode on 7th May, 2015. As Chairman of the Company (1988 – 2009) and thereafter as Chairman Emeritus, Mr. Neotia played a pivotal role in the setting-up of Ambuja and raising it to be among the most successful cement companies of India. His contribution in the growth and development of the Company will always be remembered. The Board placed on record their rich tributes for the unparalleled and precious contribution made by Mr. Neotia to the Company in particular and society at large.

#### **II. CESSATION**

Mr. Bernard Fontana (DIN 00009181), Director (representing erstwhile Holcim Ltd.) resigned from the Board w.e.f. 17.07.2015 upon his stepping down as the CEO of Holcim Ltd.

Mr. Bernard Terver (DIN 06771125), Vice Chairman (representing LafargeHolcim Ltd.) resigned from the Board w.e.f. 11.02.2016 in view of his proposed retirement from LafargeHolcim Ltd., the ultimate Holding company.

The Board placed on record its appreciation for the valuable services rendered by Mr. Fontana and Mr. Terver.

### III. RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 and Article 147 of the Articles of Association of the Company, Ms. Usha Sangwan (DIN 02609263) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment.

### IV. APPOINTMENT

#### **Mr. Eric Olsen (DIN 07238383)**

Mr. Eric Olsen has been appointed as an Additional Director (Non Independent) under Section 161 of the Companies Act, 2013 w.e.f. 27th July, 2015. Consequent to the stepping down of Mr. Bernard Tever, Mr. Olsen has been appointed as the Vice Chairman of the Board w.e.f. 11th February, 2016.

Mr. Olsen, aged 51 is the CEO of LafargeHolcim Ltd. He is a business graduate from the University of Colorado, Certified Public Accountant (Chicago, USA) and holds a Master of Business Administration from HEC International Business School in Paris. He possesses more than 25 years of experience in the fields of Finance, M&A, Business Development and Human Resource.

#### **Mr. Christof Hassig (DIN 01680305)**

Mr Christof Hassig has been appointed as an Additional Director (Non Independent) under Section 161 of the Companies Act, 2013 w.e.f. 9th December, 2015.

Mr. Hassig, aged 56 is currently the Head of

Corporate Strategy and Mergers & Acquisitions at LafargeHolcim Ltd. He is a professional banker and did his Masters in Banking and Advanced Management Program at Harvard Business School. He possesses more than 30 years of experience in the fields of Banking, Finance and M&A.

#### **Mr. Martin Kriegner (DIN 00077715)**

Mr. Martin Kriegner has been appointed as an Additional Director (Non Independent) under Section 161 of the Companies Act, 2013 w.e.f. 11th February, 2016.

Mr. Kriegner, aged 54 who is currently the Area Manager of Central Europe region of LafargeHolcim has been now appointed as the Head of India. He is a Doctorate of Law and MBA from Austrian Universities. He joined the erstwhile Lafarge group in 1990. Prior to his current role, he was the CEO of Lafarge India Pvt. Ltd. from 2012 to 2015.

As Additional Directors, Mr. Olsen, Mr. Hassig and Mr. Kriegner shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a Notice as per the provisions of Section 160 (1) of the Companies Act, 2013 from the Members along with the requisite deposit for proposing their appointment as Directors. The Board of Directors recommends their appointment.

Further details about the directors are given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

### V. ATTRIBUTES, QUALIFICATIONS & INDEPENDENCE OF DIRECTORS AND THEIR APPOINTMENT

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that the Directors shall be of high integrity with relevant expertise and experience so as to have diverse Board.

The Policy also lays down the positive attributes/ criteria while recommending the candidature for the appointment as Director.

#### Our Leadership Blueprint

The Board Diversity Policy of the Company requires the Board to comprise of set of accomplished individuals, ideally representing a wide cross-section of industries, professions, backgrounds, occupations and functions and possessing a blend of skills, domain and functional knowledge, experience, educational qualifications, both individually and collectively.

Directors are appointed/re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. The initial appointment of Managing Director & CEO is generally for a period of five years. All Directors other than Independent Directors are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and are eligible for re-appointment.

The relevant abstract of the Policy for Selection, Appointment & Remuneration of Directors is given in Annexure III.

#### VI. INDEPENDENT DIRECTORS DECLARATION

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the Listing Regulations, stating that they meet the criteria of independence as provided therein. The profile of the Independent Directors forms part of the Corporate Governance Report.

#### VII. EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013, and Regulation 17 of the Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year

under review. More details on the same are given in the Corporate Governance Report.

#### VIII. REMUNERATION POLICY

The Company follows a Policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The Remuneration Policy for the Directors and senior management employees is given in the Corporate Governance Report.

#### IX. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization programme aims to provide Independent Directors with the cement industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarization programme for Independent Directors is posted on the Company's website at: [www.ambujacement.com](http://www.ambujacement.com)

#### X. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sanjeev Churiwala resigned from the post of the CFO of the Company w.e.f. 15.11.2015. The Board placed on record its appreciation for the valuable services rendered by Mr. Churiwala.

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and the Audit Committee, appointed Mr. Suresh Joshi as the new CFO of the Company w.e.f. 1st February, 2016. Mr. Joshi, aged 54, is a Commerce Graduate and a qualified Chartered Accountant and has more than 30 years of experience (including 19 years with Ambuja) in the areas of finance & controlling, taxation, commercial & business strategy and M&A. He also possesses global exposure to LafargeHolcim group's finance and controlling function for around four years.

## 25. DIRECTORS' RESPONSIBILITY

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently, except for the change in accounting policies stated in notes to the accounts and judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st December, 2015, and of the statement of profit and loss and cash flow of the Company for the period ended 31st December, 2015;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on an ongoing concern basis;
- v) proper internal financial controls to be followed by the Company has been laid down and that such internal financial controls are adequate and

were operating effectively and;

- vi) proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

## 26. AUDITORS

### I. AUDITORS AND THEIR REPORT

M/s. SRBC & Co. LLP (ICAI Firm Registration No.324982E), the Statutory Auditors of the Company, will hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as per Section 139 of the Companies Act, 2013.

M/s. SRBC & Co. LLP have expressed their willingness to get re-appointed as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013, and the rules framed there under. In terms of the Listing Agreement/Regulations, the Auditors have confirmed vide their letter dated 11th January, 2016 that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s. SRBC & Co. LLP as the Statutory Auditors of the Company.

The members are requested to appoint M/s. SRBC & Co. LLP, Chartered Accountants as Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting in 2017 and to authorise the Board to fix their remuneration for the year 2016.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

### II. COST AUDITOR AND COST AUDIT REPORT

Pursuant to section 148 of the Companies Act 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. P.M. Nanabhoy & Co. Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2016 and has recommended their remuneration to the Shareholders for their ratification

at the ensuing Annual General Meeting.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Pursuant to the Companies (Cost Audit Report) Rules, 2011, the Cost Audit Report for the financial year 2014, was filed with the Ministry of Corporate Affairs on 12.05.2015 vide SRN No. S37794351.

### III. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board had appointed M/s. Rathi & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015. The report of the Secretarial Auditor is annexed to this report as **Annexure IV**. The report does not contain any qualification.

### 27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

Except as stated elsewhere about passing of Order by the Competition Appellate Tribunal, there have been no significant and material orders passed by the courts or regulators or tribunals impacting the going concern status and Company's operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

### 28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year as required under Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 are provided in Notes 11, 28 (I)(vi) and 47 of the Standalone Financial Statements.

### 29. TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

#### UNCLAIMED DIVIDEND

The Company has transferred a sum of ₹ 132 lakh during the financial year 2015 to the Investor Education and Protection Fund established by

the Central Government, in compliance with Section 205C of the Companies Act, 1956. The said amount represents unclaimed dividends which were lying with the Company for a period of seven years from their respective due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend.

#### UNCLAIMED SHARES

During the year the Company transferred 24,96,378 undelivered unclaimed equity shares of ₹ 2 each belonging to 17,365 shareholders to the Unclaimed Suspense Account out of the two issues made by the Company viz - shares issued to the shareholders of Ambuja Cement Rajasthan Ltd. on merger and simultaneous issue of Bonus shares and subdivision of the face value of shares from ₹ 10 to ₹ 2. These shares were transferred to the Unclaimed Suspense Account on 14th December, 2015 after sending three reminders in compliance with Clause 5A of the Listing Agreement & Regulation 39(4) of the Listing Regulations, 2015.

Company is holding these shares in a Demat – 'Unclaimed Suspense Account' with HDFC Bank on behalf of the allottees of these shares. The voting rights in respect of these shares would remain frozen till the rightful owner claims it as per the procedure laid down under the Listing Regulations.

### 30. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, is required to be given pursuant to provision of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is annexed hereto marked **Annexure V** and forms part of this report.

### 31. PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of



Managerial Personnel) Rules, 2014 are annexed to this report at **Annexure VI**.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent. Further, the details are also available on the Company's website: [www.ambujacement.com](http://www.ambujacement.com)

### **32. SUBSIDIARIES AND JOINT VENTURES**

At present, the Company does not have any material subsidiary. During the year, one subsidiary company, viz. Kakinada Cements Ltd., which was not engaged into any business activities, has applied to the Registrar of Companies, Gujarat, under the Easy Exit Scheme of erstwhile Companies Act 1956, for striking off its name. During the year, OneIndia BSC Pvt. Ltd. became the joint venture Company. The Policy for determining Material Subsidiaries, adopted by the Board, pursuant to Regulation 16 of the Listing Regulations can be accessed on the Company's website at [www.ambujacement.com](http://www.ambujacement.com)

### **33. CONSOLIDATED FINANCIAL STATEMENTS**

As stipulated by Regulation 33 of the Listing Regulations, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the subsidiary and

joint venture in the prescribed Form AOC-1 is annexed to this report at **Annexure VII**.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiary and joint venture companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary and joint venture companies to the shareholders upon their request. The statements are also available on the website of the Company [www.ambujacement.com](http://www.ambujacement.com) under the Investor Relations section.

The consolidated net profit of the Company and its subsidiaries amounted to ₹ 807.88 crores for the corporate financial year ended on 31st December, 2015 as compared to ₹ 1,486.50 crores for the previous year.

### **34. EQUAL OPPORTUNITY EMPLOYER**

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex.

### **35. AWARDS AND ACCOLADES**

#### **CORPORATE AWARDS**

- Ambuja Cement was awarded the '**Best Sustainability Risk Management Company**' of the year by CNBC TV18. The India Risk Management Awards recognises those organisations and teams that have significantly added to the understanding and practice of risk management in the country.
- Ambuja Cements bagged '**Eco Corporate of the Year 2014**' by Yes Bank's Natural Capital Awards: Yes Bank honoured corporates and photographers who have exemplified 'action for the environment' in their own capacities.
- CII Sustainability Award 2015 for '**Corporate Excellence-Commendation**' for Significant Achievement in category 'A'. Ambuja has bagged this award for the 5th consecutive year.



## REGIONAL AWARDS

- Maratha Cement Works (MCW) and Rabriyawas jointly bagged the 2nd prize for **Excellence in Water Management & Conservation** at the 3rd edition of FICCI Water Awards held in the national capital. This award is yet another recognition of ACL's commitment towards water conservation efforts in keeping with its vision to achieve sustainability.
- Ambujanagar won the **Best Environment Excellence Award for 2013-14 and 2014-15** at the 14th International Council for Cement & Building Material International Seminar at New Delhi.
- Maratha Cement Works (MCW) bagged the **Electrical Safety Best Performer Certification** organized by Industry, Energy and Labour department of Government of Maharashtra. The MCW unit was identified for incorporating best practices in Electrical Safety that has led to Zero Harm
- Rabriyawas recognized and rewarded by Rajasthan Renewable Energy Corporation Limited (an undertaking of Rajasthan Govt.) for **Remarkable Performance in Energy Conservation in the Cement Sector**.
- Ropar been declared winner of the '**Greentech Environment Award - 2015**' in the Silver Category in Cement Sector for outstanding achievement in Environment Management.
- Ambuja Cement Foundation (Ropar) was awarded the **Best HIV Project for Intravenous Drug Users** by the State Institute of Health and Family Welfare, Punjab.
- Ambuja Cement Foundation – Darlaghat bags NABARD's '**Best Partnership Award**' for its **Watershed Development Projects** in Himachal Pradesh.
- Bhatapara was conferred '**Domain Excellence in Corporate Social Responsibility**' and '**Commendation for Significant Achievement in Environment Management**' at the CII Sustainability Award 2015.

## 36. CAUTIONARY STATEMENT

Statements in the Directors' Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

## 37. ACKNOWLEDGEMENTS

The Directors take this opportunity to express their deep sense of gratitude to the banks, Central and State governments and their departments and the local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Ambuja family.

To them goes the credit for all of the Company's achievements. And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board of  
Ambuja Cements Limited

N. S. Sekhsaria  
Chairman

Mumbai, 25th February, 2016

## CSR Report

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	<p>The Company has adopted the CSR policy on 26th April, 2011. This policy was modified to align with the provision of the New Companies Act, 2013, which was adopted by the board on 24th April 2014. The same is available on the website of the Company at <a href="http://www.ambujacement.com/wp-content/themes/ambuja/downloads/CSR_policy.pdf">www.ambujacement.com/wp-content/themes/ambuja/downloads/CSR_policy.pdf</a>.</p> <p>Ambuja Cements Ltd (ACL) conducts its CSR activities mainly through its social development arm, Ambuja Cement Foundation (ACF). ACF was envisioned in 1993 to create self-empowered communities. Over the past two decades ACF has been working mainly with communities around ACL's manufacturing sites, across twenty two locations in twelve states. ACF's approach is to energise, involve and enable communities to realise their true potential and be self sustaining. The key identified programme areas of ACF are Natural Resource Management (Land and Water Resource Management), Livelihood Promotion (Agro Based Livelihoods and Skill and Entrepreneurship Development), Human Development (Community Health and Sanitation, Education and Women Empowerment) and Rural Infrastructure Development.</p>
2	Composition of CSR Committee	<p>Mr. Narotam Sekhsaria, Chairman</p> <p>Mr. Nasser Munjee, Independent Director</p> <p>Mr. Rajendra Chitale, Independent Director</p> <p>Mr. Bernard Terver, Non-Independent Director (<i>upto 10<sup>th</sup> February, 2016</i>)</p> <p>Mr. B. L. Taparia, Non-Independent Director</p> <p>Mr. Ajay Kapur, MD &amp; CEO</p> <p>Ms. Pearl Tiwari, Head of ACF, <i>Permanent Invitee</i></p>
3	Average net profit of the company for last three years	₹ 1731.96 crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 34.64 crores
5	Details of CSR spent during the financial year:	₹ 40.98 crores
The Manner in which the amount spent is detailed in the Annexure A		

Expenditure Statement as per Schedule - VII of the Companies Act, 2013 for the year 2015							
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
1	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation	Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand, Uttar Pradesh, West Bengal	15.17	14.14	14.14	Through Ambuja Cement Foundation
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Education, Ambuja Manovikas Kendra, Ambuja Vidya Niketan, Skill And Entrepreneurship Development Institute (SEDI), Non Formal Education, Village Knowledge Center	Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand, Uttar Pradesh, West Bengal	7.86	7.73	7.73	Through Ambuja Cement Foundation
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups;	Women, Female Feticide, SHG, Federation	Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand, Uttar Pradesh, West Bengal	1.37	1.39	1.39	Through Ambuja Cement Foundation
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Non Conventional, Biogas, Solar, Plantation, Water Resources, Watershed	Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand, Uttar Pradesh, West Bengal	8.12	7.77	7.77	Through Ambuja Cement Foundation
5	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Sports			0.01	0.01	Through Ambuja Cement Foundation
6	Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	NA	Flood Relief in West Bengal	0.29	0.37	0.37	Through Ambuja Cement Foundation

Expenditure Statement as per Schedule - VII of the Companies Act, 2013 for the year 2015							
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
7	Rural development projects.	Rural Infrastructure Project	Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand, Uttar Pradesh, West Bengal	8.12	8.01	8.01	Through Ambuja Cement Foundation
		Total		40.93	39.42	39.42	-
	Overheads			1.41	1.56	1.56	
	Cumulative expenditure up to the reporting period			42.34	40.98	40.98	

Note : The CSR programmes are carried out primarily in the following district of the states.

**1. Andhra Pradesh**

A) Nadikudi - District Guntur

**2. Chattisgarh**

A) Bhatapara - District Baloda Bazar

**3. Gujarat**

- A) Kodinar - District Gir Somnath
- B) Gandhinagar - District Gandhinagar
- C) Sanand - District Ahmedabad
- D) Choryashi - District Surat

**4. Himachal Pradesh**

- A) Darlaghat - District Solan
- B) Nalagarh - District Solan

**5. Madhya Pradesh**

- A) Amarwara - District Chhindwara
- B) Osara - District Mandsaur

**6. Maharashtra**

- A) Korpana - District Chandrapur
- B) Panvel - District Raigad

**7. Punjab**

- A) Bathinda - District Bathinda
- B) Daburjee - District Rupnagar

**8. Rajasthan**

- A) Marawar Mundwa - District Nagaur
- B) Rabriyawas - District Pali

**9. Uttarakhand**

- A) Roorkee - District Haridwar

**10. Uttar Pradesh**

- A) Dadri - District Gautam Budhnagar

**11. West Bengal**

- A) Farakka - District Murshidabad
- B) Sankrail - District Howrah

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> December 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	<b>CIN</b>	L26942GJ1981PLC004717
2.	<b>Registration Date</b>	20 <sup>th</sup> October 1981
3.	<b>Name of the Company</b>	Ambuja Cements Limited
4.	<b>Category/Sub-Category of the Company</b>	Public Company limited by shares
5.	<b>Whether listed Company (Yes/No)</b>	Yes
6.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Sharepro Service (India) Pvt. Limited 13/AB, Samhita Warehousing Complex, Near Sakinaka Tel. Exchange, Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai 400072. <b>Telephone:</b> (022) 67720300, 67720400 <b>Fax Number:</b> (022) 28591568, 28508927 <b>Email id:</b> sharepro@shareproservices.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company.
1.	Cement	3242	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Holderind Investments Ltd. Holcim Group Support (Zurich) Ltd. Hagenholzstrasse 85, CH-8050, Zurich, Switzerland	Foreign Company	Holding	40.57	2(46)
2.	Holcim (India) Private Limited Suite 304, 3 <sup>rd</sup> floor, DLF South Court, Plot A-1, Saket District Centre, Saket, Delhi - 110017.	U26943DL2002PTC116851	Holding	9.70	2(46)
3.	Kakinada Cements Limited P.O. Ambujanagar, Tal : Kodinar, Dist : Gir Somnath, Gujarat - 362715	U26942GJ1997PLC062008	Subsidiary	100	2(87)
4.	M.G.T Cements Private Limited P.O. Ambujanagar, Tal : Kodinar, Dist : Gir Somnath, Gujarat - 362715	U26943GJ1990PTC061530	Subsidiary	100	2(87)
5.	Chemical Limes Mundwa Private Limited P.O. Ambujanagar, Tal : Kodinar, Dist : Gir Somnath, Gujarat - 362715	U14107GJ2007PTC061529	Subsidiary	100	2(87)

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
6.	Dang Cement Industries Private Limited, House No. 70, Nalma Marg, Handigaon, Ward No. 5, Kathmandu, Nepal	Foreign Company	Subsidiary	91.63	2(87)
7.	Dirk India Private Limited Plot no. 10, India House, Gitanjali Colony, Indira Nagar, Mumbai Agra Road, Nashik - 422009	U40102MH2000PTC126812	Subsidiary	100	2(87)
8.	Counto Microfines Products Private Limited 2 <sup>nd</sup> Floor, Velho Building, Opp. Municipal Garden, Panaji, Goa - 403001.	U70200GA1996PTC002240	Joint Venture	50	2(6)
9.	Wardha Vaalley Coal Field Private Limited A-23, New Office Complex, Defence Colony, New Delhi - 110024	U10300DL2010PTC197802	Joint Venture	27.27	2(6)
10.	OneIndia BSC Private Limited No - 003, 'A', Ground Floor, 'The Estate', No - 121, Dickenson Road, Bangalore, Karnataka - 560042	U74900KA2015PTC082264	Joint Venture	50	2(6)

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

##### i. Category-wise Share Holding.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total- A-(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	780308553	-	780308553	50.35	780308553	-	780308553	50.28	(0.07)
d. Bank/ FI	-	-	-	-	-	-	-	-	(0.07)
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total- A (2)</b>	<b>780308553</b>	<b>-</b>	<b>780308553</b>	<b>50.35</b>	<b>780308553</b>	<b>-</b>	<b>780308553</b>	<b>50.28</b>	<b>(0.07)</b>
<b>Total Share Holding of Promoters (1 + 2)</b>	<b>780308553</b>	<b>-</b>	<b>780308553</b>	<b>50.35</b>	<b>780308553</b>	<b>-</b>	<b>780308553</b>	<b>50.28</b>	<b>(0.07)</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	11842465	98145	11940610	0.77	56740843	98145	56838988	3.66	2.89
b. Bank/ FI	2041979	26257	2068236	0.13	5353664	21397	5375061	0.35	0.22
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	137861219	9750	137861219	8.90	197329251	9750	197339001	12.72	3.82

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g. FIs	457872275	64275	457936550	29.55	270018135	64275	270082410	17.40	(12.15)
h. Foreign Portfolio Corp.	7910062	-	7910062	0.51	92469687	-	92469687	5.96	5.45
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B (1)</b>	<b>617528000</b>	<b>198427</b>	<b>617726427</b>	<b>39.86</b>	<b>621911580</b>	<b>193567</b>	<b>622105147</b>	<b>40.09</b>	<b>0.23</b>
<b>2. Non- Institution</b>									
a. Body Corp.	5589559	504902	6094461	0.40	8489036	469947	8958983	0.58	0.18
b. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	72816762	16766785	89583547	5.78	74614465	13747763	88362228	5.69	(0.09)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	8995001	325710	9320711	0.60	8836805	325710	9162515	0.59	(0.01)
c. Others									
(i) NRI (Rep)	5893033	6153446	12046479	0.78	5716981	5063671	10780652	0.69	0.09
(ii) NRI (Non-Rep)	1742047	331415	2073462	0.13	1700697	234081	1934778	0.12	(0.01)
(iii) Foreign National	60183	-	60183	-	3850	-	3850	-	-
(iv) OCB	3750	9120	12870	-	3750	9120	12870	-	-
(v) Trust	1432138	-	1432138	0.09	3809361	-	3809361	0.25	0.16
(vi) In Transit	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B (2)</b>	<b>96532473</b>	<b>24091378</b>	<b>120623851</b>	<b>7.78</b>	<b>103174945</b>	<b>20043859</b>	<b>123025237</b>	<b>7.93</b>	<b>0.15</b>
<b>Net Total (1+2)</b>	<b>714060473</b>	<b>24289805</b>	<b>738350278</b>	<b>47.64</b>	<b>725086525</b>	<b>20043859</b>	<b>745130384</b>	<b>48.02</b>	<b>0.38</b>
<b>c. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	31074955	12000	31086955	2.01	26446484	12000	26458484	1.70	(0.31)
<b>Grand Total (A+B+C)</b>	<b>1525443981</b>	<b>24301805</b>	<b>1549745786</b>	<b>100.00</b>	<b>1531841562</b>	<b>20055859</b>	<b>1551897421</b>	<b>100.00</b>	<b>0.31</b>

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	HOLDERIND INVESTMENTS LIMITED	629638433	40.63	-	629638433	40.57	-	0.06
2	HOLCIM (INDIA) PRIVATE LIMITED	150670120	9.72	-	150670120	9.71	-	0.01
	<b>Total</b>	<b>780308553</b>	<b>50.35</b>	<b>-</b>	<b>780308553</b>	<b>50.28</b>	<b>-</b>	<b>0.07</b>

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

There is no change in the number of shares held by the promoter companies. However, the percentage of the shareholding has changed during the year due to change in share capital on account of allotment or shares under ESOP Scheme.

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase /Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	LIFE INSURANCE CORPORATION OF INDIA	100206061	6.47	01/01/2015			100206061	6.47
				13/03/2015	-916740	TRANSFER	99289321	6.41
				20/03/2015	-185784	TRANSFER	99103537	6.39
				27/03/2015	-200000	TRANSFER	98903537	6.38
				10/04/2015	-920261	TRANSFER	97983276	6.32
				12/06/2015	1773549	TRANSFER	99756825	6.43
				19/06/2015	2412647	TRANSFER	102169472	6.58
				26/06/2015	1336748	TRANSFER	103506220	6.67
				30/06/2015	497639	TRANSFER	104003859	6.70
				10/07/2015	191500	TRANSFER	104195359	6.71
				04/09/2015	787001	TRANSFER	104982360	6.76
				11/09/2015	1945195	TRANSFER	106927555	6.89
				18/09/2015	2023121	TRANSFER	108950676	7.02
				25/09/2015	2393954	TRANSFER	111344630	7.17
				30/09/2015	2270537	TRANSFER	113615167	7.32
				09/10/2015	2725000	TRANSFER	116340167	7.50
				16/10/2015	3900000	TRANSFER	120240167	7.75
				23/10/2015	2500000	TRANSFER	122740167	7.91
				30/10/2015	2417273	TRANSFER	125157440	8.06
				06/11/2015	2220943	TRANSFER	127378383	8.21
				13/11/2015	2460382	TRANSFER	129838765	8.37
				20/11/2015	5605330	TRANSFER	135444095	8.73
				27/11/2015	1184946	TRANSFER	136629041	8.80
				31/12/2015	1412594	TRANSFER	138041635	8.90
		138041635	8.90	31/12/2015				
2.	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED	49849182	3.22	28/08/2015	-2700000	TRANSFER	47149182	3.04
		47149182	3.04	31/12/2015				
3.	OPPENHEIMER DEVELOPING MARKETS FUND	44125515	2.85	01/01/2015	44125515		44125515	2.85
				07/08/2015	-311384	TRANSFER	43814131	2.82
				14/08/2015	-859100	TRANSFER	42955031	2.77
				21/08/2015	-1187276	TRANSFER	41767755	2.69
				28/08/2015	-2249127	TRANSFER	39518628	2.55
				11/09/2015	-5060081	TRANSFER	34458547	2.22
				18/09/2015	-6032849	TRANSFER	28425698	1.83
				25/09/2015	-1691807	TRANSFER	26733891	1.72
				09/10/2015	-4791029	TRANSFER	21942862	1.41
				16/10/2015	-6607973	TRANSFER	15334889	0.99
				23/10/2015	-6122627	TRANSFER	9212262	0.59
				30/10/2015	-491277	TRANSFER	8720985	0.56
				06/11/2015	-3217850	TRANSFER	5503135	0.35
				13/11/2015	-1824382	TRANSFER	3678753	0.24
				20/11/2015	-3678753	TRANSFER	0	0.00
		Nil	Nil	31/12/2015	0		0	
4.	GENESIS INDIAN INVESTMENT COMPANY LIMITED -GENERAL SUB FUND	24559008	1.58	01/01/2015			24559008	1.58
				22/05/2015	-533013	TRANSFER	24025995	1.55
				24/07/2015	-1787137	TRANSFER	22238858	1.43
				07/08/2015	-129254	TRANSFER	22109604	1.42
				14/08/2015	-16842	TRANSFER	22092762	1.42
				21/08/2015	-204165	TRANSFER	21888597	1.41
				28/08/2015	-5742244	TRANSFER	16146353	1.04
				04/09/2015	-551804	TRANSFER	15594549	1.00
				11/09/2015	-967888	TRANSFER	14626661	0.94
				18/09/2015	-382717	TRANSFER	14243944	0.92
				25/09/2015	-467839	TRANSFER	13776105	0.89
				30/09/2015	-861917	TRANSFER	12914188	0.83
				09/10/2015	-1173630	TRANSFER	11740558	0.76
				16/10/2015	-833800	TRANSFER	10906758	0.70
				23/10/2015	-105887	TRANSFER	10800871	0.70
				30/10/2015	-1748900	TRANSFER	9051971	0.58
				06/11/2015	-267222	TRANSFER	8784749	0.57
				13/11/2015	-169119	TRANSFER	8615630	0.56
				20/11/2015	-195730	TRANSFER	8419900	0.54



Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase /Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	GENESIS INDIAN INVESTMENT COMPANY LIMITED -GENERAL SUB FUND			27/11/2015	-577936	TRANSFER	7841964	0.51
				04/12/2015	-384299	TRANSFER	7457665	0.48
				11/12/2015	-746548	TRANSFER	6711117	0.43
				18/12/2015	-865771	TRANSFER	5845346	0.38
				25/12/2015	-2955736	TRANSFER	2889610	0.19
		2889610	0.19	31/12/2015				
5.	GENERAL INSURANCE CORPORATION OF INDIA	13869001	0.89	01/01/2015			13869001	0.89
				20/03/2015	-506092	TRANSFER	13362909	0.86
				27/03/2015	-228643	TRANSFER	13134266	0.85
				10/04/2015	-134266	TRANSFER	13000000	0.84
				18/12/2015	20000	TRANSFER	13020000	0.84
				25/12/2015	65000	TRANSFER	13085000	0.84
		13085000	0.84	31/12/2015				
		13054996	0.84	01/01/2015			13054996	0.84
6.	GENESIS ASSET MANAGERS, LLP A/C THE GENESIS EMERGING MARKETS INVESTMENT COMPANY			09/01/2015	94351	TRANSFER	13149347	0.85
				16/01/2015	217662	TRANSFER	13367009	0.86
				24/07/2015	-994284	TRANSFER	12372725	0.80
				07/08/2015	-71911	TRANSFER	12300814	0.79
				14/08/2015	-9370	TRANSFER	12291444	0.79
				21/08/2015	-113588	TRANSFER	12177856	0.78
				28/08/2015	-3194732	TRANSFER	8983124	0.58
				04/09/2015	-307000	TRANSFER	8676124	0.56
				11/09/2015	-538489	TRANSFER	8137635	0.52
				18/09/2015	-209790	TRANSFER	7927845	0.51
				25/09/2015	-260387	TRANSFER	7667458	0.49
				30/09/2015	-479723	TRANSFER	7187735	0.46
				09/10/2015	-653214	TRANSFER	6534521	0.42
				16/10/2015	-464074	TRANSFER	6070447	0.39
				23/10/2015	-58934	TRANSFER	6011513	0.39
				30/10/2015	-973396	TRANSFER	5038117	0.32
				06/11/2015	-148730	TRANSFER	4889387	0.32
				13/11/2015	-94127	TRANSFER	4795260	0.31
				20/11/2015	-108937	TRANSFER	4686323	0.30
				27/11/2015	-321664	TRANSFER	4364659	0.28
				04/12/2015	-213893	TRANSFER	4150766	0.27
				11/12/2015	-83200	TRANSFER	4067566	0.26
				18/12/2015	-524737	TRANSFER	3542829	0.23
				25/12/2015	-1791455	TRANSFER	1751374	0.11
		1751374	0.11	31/12/2015				
7.	JPMORGAN SICAV INVESTMENT COMPANY (MAURITIUS) LIMITED	12379543	0.80	01/01/2015			12379543	0.80
				23/01/2015	788361	TRANSFER	13167904	0.85
				30/01/2015	547598	TRANSFER	13715502	0.88
				06/02/2015	64041	TRANSFER	13779543	0.89
				13/02/2015	235021	TRANSFER	14014564	0.90
				20/02/2015	269064	TRANSFER	14283628	0.92
				27/02/2015	953898	TRANSFER	15237526	0.98
				01/05/2015	535294	TRANSFER	15772820	1.02
				04/09/2015	409647	TRANSFER	16182467	1.04
		16182467	1.04	31/12/2015				
		11348180	0.73	01/01/2015			11348180	0.73
8.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND			09/01/2015	-82000	TRANSFER	11266180	0.73
				16/01/2015	-36000	TRANSFER	11230180	0.72
				23/01/2015	-34000	TRANSFER	11196180	0.72
				06/02/2015	-10000	TRANSFER	11186180	0.72
				13/02/2015	-40000	TRANSFER	11146180	0.72
				31/03/2015	-28170	TRANSFER	11118010	0.72
				01/05/2015	41316	TRANSFER	11159326	0.72
				08/05/2015	46950	TRANSFER	11206276	0.72
				14/08/2015	-46950	TRANSFER	11159326	0.72
				21/08/2015	-112680	TRANSFER	11046646	0.71
				28/08/2015	-219726	TRANSFER	10826920	0.70
				04/09/2015	-300480	TRANSFER	10526440	0.68

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase /Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND			11/09/2015	-157752	TRANSFER	10368688	0.67
				25/09/2015	-41316	TRANSFER	10327372	0.67
				30/09/2015	-123948	TRANSFER	10203424	0.66
				18/12/2015	-51588	TRANSFER	10151836	0.65
				25/12/2015	-24660	TRANSFER	10127176	0.65
		10127176	0.65	31/12/2015				
9.	ABU DHABI INVESTMENT AUTHORITY - GULAB	10783763	0.70	01/01/2015	10783763		10783763	0.70
				06/03/2015	-237051	TRANSFER	10546712	0.68
				22/05/2015	-91400	TRANSFER	10455312	0.67
				29/05/2015	-666289	TRANSFER	9789023	0.63
				05/06/2015	-66108	TRANSFER	9722915	0.63
				21/08/2015	-30263	TRANSFER	9692652	0.62
				28/08/2015	-154060	TRANSFER	9538592	0.61
				04/09/2015	-17430	TRANSFER	9521162	0.61
				27/11/2015	-67261	TRANSFER	9453901	0.61
				04/12/2015	-269042	TRANSFER	9184859	0.59
		10127176	0.65	31/12/2015				
		10542811	0.68	01/01/2015			10542811	0.68
10.	THE NEW INDIA ASSURANCE COMPANY LIMITED			29/05/2015	-16612	TRANSFER	10526199	0.68
				05/06/2015	-96733	TRANSFER	10429466	0.67
				04/09/2015	20000	TRANSFER	10449466	0.67
				11/09/2015	40000	TRANSFER	10489466	0.68
				18/09/2015	126208	TRANSFER	10615674	0.68
				25/09/2015	13792	TRANSFER	10629466	0.68
				30/10/2015	40000	TRANSFER	10669466	0.69
				06/11/2015	120437	TRANSFER	10789903	0.70
				13/11/2015	125000	TRANSFER	10914903	0.70
				20/11/2015	114563	TRANSFER	11029466	0.71
				31/12/2015	1850	TRANSFER	11031316	0.71
		11031316	0.71	31/12/2015				
		10453946	0.67	01/01/2015			10453946	0.67
				16/01/2015	210343	TRANSFER	10664289	0.69
11.	GOVERNMENT OF SINGAPORE			30/01/2015	-308704	TRANSFER	10355585	0.67
				13/02/2015	192455	TRANSFER	10548040	0.68
				20/02/2015	-9051	TRANSFER	10538989	0.68
				06/03/2015	12985	TRANSFER	10551974	0.68
				27/03/2015	50678	TRANSFER	10602652	0.68
				10/04/2015	393131	TRANSFER	10995783	0.71
				24/04/2015	-8374	TRANSFER	10987409	0.71
				01/05/2015	-277250	TRANSFER	10710159	0.69
				08/05/2015	-198915	TRANSFER	10511244	0.68
				05/06/2015	27747	TRANSFER	10538991	0.68
				12/06/2015	-13833	TRANSFER	10525158	0.68
				10/07/2015	415419	TRANSFER	10940577	0.70
				31/07/2015	99036	TRANSFER	11039613	0.71
				07/08/2015	245497	TRANSFER	11285110	0.73
				21/08/2015	370518	TRANSFER	11655628	0.75
				28/08/2015	2047875	TRANSFER	13703503	0.88
				04/09/2015	737139	TRANSFER	14440642	0.93
				11/09/2015	-294824	TRANSFER	14145818	0.91
				09/10/2015	616860	TRANSFER	14762678	0.95
				23/10/2015	-10386	TRANSFER	14752292	0.95
				30/10/2015	-150628	TRANSFER	14601664	0.94
				06/11/2015	-23056	TRANSFER	14578608	0.94
				13/11/2015	812400	TRANSFER	15391008	0.99
				20/11/2015	-16439	TRANSFER	15374569	0.99
				04/12/2015	-60857	TRANSFER	15313712	0.99
				11/12/2015	-4158	TRANSFER	15309554	0.99
				18/12/2015	8	TRANSFER	15309562	0.99
				31/12/2015	14858	TRANSFER	15324420	0.99
		15324420	0.99	31/12/2015				

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase /Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
12.	JPMORGAN INDIA FUND	10247907	0.66	01/01/2015			10247907	0.66
				13/02/2015	127366	TRANSFER	10375273	0.67
				20/02/2015	145815	TRANSFER	10521088	0.68
				27/02/2015	146819	TRANSFER	10667907	0.69
				27/03/2015	423228	TRANSFER	11091135	0.72
				10/04/2015	515000	TRANSFER	11606135	0.75
				08/05/2015	700000	TRANSFER	12306135	0.79
				15/05/2015	205000	TRANSFER	12511135	0.81
				22/05/2015	95000	TRANSFER	12606135	0.81
				26/06/2015	200000	TRANSFER	12806135	0.83
				04/09/2015	-475000	TRANSFER	12331135	0.79
				30/10/2015	1350000	TRANSFER	13681135	0.88
				04/12/2015	505938	TRANSFER	14187073	0.91
				11/12/2015	104062	TRANSFER	14291135	0.92
		14291135	0.92	31/12/2015				
13.	HARDING, LOEVNER FUNDS INC EMERGING MARKETS PORTFOLIO	8694600	0.56	01/01/2015			8694600	0.56
				13/02/2015	126100	TRANSFER	8820700	0.57
				06/03/2015	69800	TRANSFER	8890500	0.57
				20/03/2015	74200	TRANSFER	8964700	0.58
				10/04/2015	76200	TRANSFER	9040900	0.58
				24/04/2015	124100	TRANSFER	9165000	0.59
				01/05/2015	117500	TRANSFER	9282500	0.60
				08/05/2015	74600	TRANSFER	9357100	0.60
				29/05/2015	73100	TRANSFER	9430200	0.61
				19/06/2015	96800	TRANSFER	9527000	0.61
				10/07/2015	74000	TRANSFER	9601000	0.62
				31/07/2015	120300	TRANSFER	9721300	0.63
				07/08/2015	75700	TRANSFER	9797000	0.63
				04/09/2015	-191500	TRANSFER	9605500	0.62
				11/09/2015	-48800	TRANSFER	9556700	0.62
				20/11/2015	-114100	TRANSFER	9442600	0.61
				27/11/2015	265800	TRANSFER	9708400	0.63
				04/12/2015	-82800	TRANSFER	9625600	0.62
				18/12/2015	-130900	TRANSFER	9494700	0.61
		9494700	0.61	31/12/2015				
14.	JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED	7470715	0.48	01/01/2015	7470715			
				23/01/2015	551854	TRANSFER	8022569	0.52
				30/01/2015	1268489	TRANSFER	9291058	0.60
				06/02/2015	89657	TRANSFER	9380715	0.61
				13/02/2015	136463	TRANSFER	9517178	0.61
				20/02/2015	156231	TRANSFER	9673409	0.62
				27/02/2015	-338135	TRANSFER	9335274	0.60
				29/05/2015	472646	TRANSFER	9807920	0.63
				28/08/2015	-409167	TRANSFER	9398753	0.61
				06/11/2015	553564	TRANSFER	9952317	0.64
		9952317	0.64					

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year- 1 <sup>st</sup> January, 2015		Shareholding at the end of the year- 31 <sup>st</sup> December, 2015	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. N.S. Sekhsaria	1000	0.00	1000	0.00
2.	Mr. B.L.Taparia	327284	0.02	327284	0.02
3.	Mr. Ajay Kapur	185500	0.01	185500	0.01
4.	Mr. Rajiv Gandhi*, C.S.	2000	0.00	3000	0.00

\* The change in the number of shares held by KMP is due to the allotment of shares under ESOP Schemes.

## V. INDEBTEDNESS

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

(₹ In Crores)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.01.2015</b>				
1) Principal Amount	5.86	23.29	-	29.15
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>5.86</b>	<b>23.29</b>	<b>-</b>	<b>29.15</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	3.59	10.06	-	13.65
-Reduction	-	-10.06	-	-10.06
Net change	3.59	-	-	3.59
<b>Indebtedness at the end of the financial year-31.12.2015</b>				
1) Principal Amount	9.45	23.29	-	32.74
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>9.45</b>	<b>23.29</b>	<b>-</b>	<b>32.74</b>

## VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager
		Mr. Ajay Kapur
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	472.72
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.72
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
5.	Others, please specify Provident Fund & other Funds	35.60
	Performance Bonus	124.80
	<b>Total (A)</b>	<b>634.83</b>
	Ceiling as per the Act	5% of the net profits of the Company

B. Remuneration to other directors:

I. Independent Directors :-

Particulars of Remuneration	Name of Directors					Total Amount (₹ In Lacs)
	Mr. Munjee	Mr. Chitale	Mr. Haribhakti	Dr. Goswami	Mr. Khaitan	
Fee for attending board / committee meetings	7.70	7.80	6.90	5.20	2.90	30.50
Commission	28.00	34.00	28.00	28.00	28.00	146.00
Others, please specify	-	-	-	-	-	-
<b>Total (I)</b>	<b>35.70</b>	<b>41.80</b>	<b>34.90</b>	<b>33.20</b>	<b>30.90</b>	<b>176.50</b>

II. Other Non-Executive Directors :-

Other Non-Executive Directors	Mr. Sekhsaria	Mr. Olsen	Mr. Hassig	Mr. Terver	Mr. Fontana	Mr. Taparia	Ms. Sangwan	Total Amount (₹ In Lacs)
Fee for attending board / committee meetings	5.60	1.00	0.50	8.00	0.50	7.40	1.50	24.50
Commission	37.00	6.93	1.01	28.00	8.68	Nil	16.00	97.62
Others	-	-	-	-	-	134.00	-	134.00
<b>Total (2)</b>	42.60	7.93	1.51	36.00	9.18	141.40	17.50	256.12
<b>Total B = (1+2)</b>								<b>432.62</b>
Ceiling as per the Act	1% of the Net profits of the Company							

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount (₹ In Lacs)
		Mr. Sanjeev Churiwala (upto 15.11.2015)	Mr. Rajiv Gandhi	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	178.24	58.63	236.87
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.43	0.08	0.51
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify			
	Contribution to Provident Fund	23.74	5.29	29.03
	Performance Bonus	41.72	15.09	56.81
	<b>Total (C)</b>	<b>244.13</b>	<b>79.09</b>	<b>323.22</b>

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):

There were no Penalties/ Punishment/ Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other officer in default, during the year.

ANNEXURE III TO THE DIRECTORS' REPORT

## Abstract of the Policy for Selection, Appointment and Remuneration of Directors

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board Directors and Managing Director & CEO and their remuneration. The Charter also deals with the remuneration Policy for Senior Management Employees. This Policy is accordingly derived from the said Charter.

1. Criteria of selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance & taxation, law & governance and general management.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the Independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria whilst recommending to the Board the candidature for appointment as Director.
  - Qualification, expertise and experience of the Directors in their respective fields;
  - Personal, Professional or business standing
  - Diversity of the Board
- In case of re-appointment of Non Executive Directors, the Board shall, take into consideration the performance evaluation of the Director and his engagement level.

2. Criteria of selection/appointment of Managing Director & CEO

For the purpose of selection of the MD & CEO, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act or other applicable laws.

**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015**

To

The Board of Directors

**Ambuja Cements Limited**

Elegant Business Park, MIDC Cross Road 'B',

Off Andheri – Kurla Road, Andheri (East),

Mumbai – 400 059

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Ambuja Cements Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31<sup>st</sup> December, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Ambuja Cements Limited ("the Company") as given in **Annexure I**, for the financial year ended on 31<sup>st</sup> December, 2015, according to the provisions of:
  - (i) The Companies Act, 1956 and the Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1<sup>st</sup> December, 2015;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - v. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not applicable to the Company under the financial year under report.
4. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR  
PARTNER  
FCS 5171**

**Mumbai  
Dated: 2<sup>nd</sup> February, 2016**

## **Annexure - I to the Secretarial Audit Report**

### **List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31<sup>st</sup> December 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee held during the financial year under report along with Attendance Register.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel
  - Register of Employee Stock Options
  - Register of loans, guarantees and security and acquisition made by the Company
  - Register of Renewed and Duplicate Share Certificate
6. Agenda papers submitted to all the Directors/members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 and 149(7) of the Companies Act, 2013.
8. Intimations received from Directors under the Prohibition of Insider Trading Code.
9. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreements with the stock exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1<sup>st</sup> December, 2015 during the financial year under report.
11. Filings made with the Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.
12. Documents related to payments of dividend made to the shareholders during the financial year under report.
13. Opinion issued by Price Waterhouse & Co. LLP for applying the "Arm's Length Price" in accordance with the provisions of Section 188 of Companies Act, 2013 pertaining to Related Party Transactions.
14. Documents related to issue of shares under ESOP Scheme filed with Stock Exchanges and Listing approvals received thereon.
15. Various Policies made under the Companies Act, 2013, Listing Agreements with the stock exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1<sup>st</sup> December, 2015.
16. Order received from the Company Law Board, New Delhi, under section 2(41) of the Companies Act, 2013 allowing the Company to follow its Financial Year beginning from 1<sup>st</sup> January and ending on 31<sup>st</sup> December.
17. Order received from Competition Appellate Tribunal dated 11<sup>th</sup> December, 2015 setting aside the impugned order of the Competition Commission of India dated 20<sup>th</sup> June, 2012.

## **Annexure - II to the Secretarial Audit Report**

### **List of applicable laws to the Company**

#### **Under the Major Group and Head**

1. Factories Act, 1960;
2. Industries (Development & Regulation) Act, 1951
3. Acts prescribed related to Mining activities
4. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on it payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
5. Acts prescribed under prevention and control of Pollution;
6. Acts prescribed under Environmental protection;
7. Acts as prescribed under Direct Tax and Indirect Tax
8. Land Revenue laws of respective States;
9. Labour Welfare Act of respective States;
10. Local laws as applicable to various offices, plants, grinding stations and bulk cement terminals.



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.**

**A) CONSERVATION OF ENERGY**

**(1) The steps taken or impact on conservation of energy:**

- i. Separate Flyash Grinding & Blending System (Ambujanagar)
- ii. Installation of Dense Phase Conveying System to increase feed of Carbon Black in Calcliner (Suli)
- iii. Optimised Raw Mix to Increase Pet coke Usage in Kiln (Suli, Rabriyawas)
- iv. CFD based modification in Pre heater and Calcliner Cyclone to reduce pressure drop and improve cyclone efficiency (Rabriyawas, Bhatapara)
- v. Primary Air consumption optimisation of Kiln Burner (Rabriyawas)
- vi. Optimisation of HT motor cooling blower operation (Roorkee)
- vii. Modification in Product Conveying arrangement resulted elimination of motorized blower (Roorkee)
- viii. Commissioned coal blending plant (Maratha)
- ix. Optimisation of grinding media pattern in cement mills (Maratha)
- x. Optimisation of HLC tuning of clinker cooler operation. (Maratha)
- xi. Optimisation of dam ring height of the raw mill to save SEEC. (Maratha)
- xii. Installation of high level control system in Line-1 & Line-2 Cooler (Bhatapara)
- xiii. Differential coal grinding for kiln & calcliner in line-2 coal mill (Bhatapara)
- xiv. Conversion of Line-1 cooler inlet grate parts with IKN Static grate and Line-2 cooler inlet grate parts with inclined static grate (Bhatapara)
- xv. Optimisation of Clinker coolers for line I and Line II plants (Bhatapara)
- xvi. Optimisation of Boiler feed pump#6 to reduce the load on motor (Bhatapara)
- xvii. Optimisation of load in GT & distribution transformers (Bhatapara)
- xviii. Fine tuning of PID to optimise the operation of Cement Mill-1 (Sankrail)
- xix. Conversion of double chamber into mono chamber in Cement Mill -1 (Sankrail)
- xx. Retrofitting of separator for improvement in process leading to reduction in power (Farakka)
- xxi. Replacement of conveyors by chutes and roller table modification in wagon loading (Farakka)

xxii. Installation of Speed control device VFD Drives in various fans, Pumps and Motors (Suli, Bhatapara, Maratha)

**(2) Energy Conservation Measures for Plant & Township lighting and alternative energy Usage:**

- i. Separator Fan Impeller trimming to reduce Power Loss in GRR (Roorkee)
- ii. Stabilisation of Geocycle (AFR) platforms at various Locations (Ambujanagar, Maratha, Rabriyawas, Bhatapara)
- iii. Installation of 55 kW solar power unit (Regional Office, Gurgaon)
- iv. Energy optimisation by installing Energy Efficient Lights (Ambujanagar, Maratha, Bhatapara, Nalagarh, Suli, Rauri, Roorkee, Ropar, Dadri, Ropar, Farakka)
- v. Modification of AC ducting to optimise the Air Conditioning Load (Nalagarh)
- vi. Optimisation of compressed air line (Dadri)
- vii. Energy optimisation by reducing idle time of various equipment (Maratha)
- viii. Installation of Waste heat recovery system (Rabriyawas)

**(3) The capital investment on energy conservation equipment**

Total Investment of ₹ 203 Crores made in Energy Conservation equipments.

- i. Installation of Energy Efficient Screw compressors (Ambujanagar, Rabriyawas)
- ii. Replacement of energy efficient high pressure fans to improve cooler recuperation efficiency (Rabriyawas)
- iii. Installation of new designed fuel efficient Drill machine for mines (Bhatapara)
- iv. Installation of high level control system in Cooler (Bhatapara)
- v. Installation of Roller Press and Automatic Packing Machine (Sankrail)
- vi. Installation of Master Packer for facilitating rail & road dispatches together (Bhatapara)
- vii. Replacement of Energy efficient Gear Box for Bucket Elevator (Dadri)

**B) TECHNOLOGY ABSORPTION**

**I. RESEARCH AND DEVELOPMENT (R&D)**

**1) Specific areas in which R & D carried out by the Company:**

- a. Study on Raw Mix optimisation to improve clinker with multiple fuel mix (Ambujanagar)

- b. Trial and Usage of Activated Gypsum (Suli, Rabriyawas) Anhydrous chemical gypsum (Maratha)
- c. Trials of various Grinding Aids to optimise the cost and improve Quality of Cement (Nalagarh, Bhatinda)
- d. Gypsum Usage Optimisation by monitoring SO3 content in final product (Nalagarh, Bhatinda, Rabriyawas, Dadri)
- e. Study on usage of wet fly ash for production of PPC Cement. (Ropar, Bhatinda, Nalagarh, Dadri, Suli, Roorkee)
- f. Manufacturing of newly developed product Ambuja Plus Cement (Rabriyawas)
- g. Installation of CAM type brick lining in Kiln (Rabriyawas)
- h. Lab Trial for fly ash Activator (Bhatapara, Sankrail)
- i. Vibro Ripper/Terminator in mines for blasting (Bhatapara)
- d. Kiln Inspection tools for Kiln Alignments, roller & Tyre profile etc. (Ambujanagar)
- e. Installation of Auto Lubrication system for Kiln Tyre (Ambujanagar)
- f. Application of thermal resistant coating/paint over kiln shell to reduce radiation & convection losses from kiln shell (Maratha)
- g. Solid Waste Preparation and Handling system (Maratha)
- h. A-77, Fire prevention coating use in cables for fire protection to Electrical Cables (Maratha)
- i. High efficiency solenoid valves installed in Cooler dust dense phase system improving maintenance practices (Maratha)
- j. Installation of Flame Proof Light at Coal Handling Plant (Maratha)
- k. Installation of RFID (Radio Frequency Identification) for better coordination of vehicle movements (Maratha)

## 2) Benefits derived as a result of above R & D:

- a. Optimise raw mix, Fuel mix and Gypsum Mix and hence improve cement quality and also life of mines
- b. Improve usage of industry waster like Fly ash
- c. Production Cost
- d. Higher Strength Cement for Customers

## 3) Future plan of action:

- a. Study on Raw Mix Optimisation for better Clinker Quality (Ambujanagar, Maratha)
- b. Composite Cement Development to address Customers' Needs
- c. Usage of ground fine fly ash in cement (Bhatapara)

## 4) Expenditure on R&D:

	Current Year (₹ In Crores)	Previous Year (₹ In Crores)
Capital Expenditure	2.36	0.24
Recurring Expenditure	0	5.20
Total Expenditure	2.36	5.44
Total R & D expenditure as a percentage of total turnover	0.03%	0.05%

- l. Installed Energy Manger System for metering of the HT / LT Electrical systems (Bhatapara)
- m. Coal mill feed Weigh feeders in place of chain conveyors (Bhatapara)
- n. Procurement of New designed Drill machine for mines (Bhatapara)
- o. Optimisation of Compressor operation Centralised Controller (Bhatapara)
- p. Up gradation packing plant capacity by Installation of additional 16 spout Packer Machine (Bhatapara)
- q. High efficiency solenoid valves installed in Packer to improving maintenance practices (Dadri)
- r. Installation of Flame Proof Light at Thinner room, Lub room, Bag godown (Dadri)
- s. Installation of Laboratory Information Management System (Dadri)
- t. E-Chain installed instead of trailing cable for smooth operation of truck loader (Dadri)
- u. Expert Control System up-graded by Version 7.9 (Dadri)
- v. Input and Output panel installed for PLC (Dadri)
- w. LED Fire EXIT sign board installed in Electrical sub stations (Dadri)
- x. Fire alarm signals taken at CCR for Dispensary, store, bag godown, lub room and electrical sub stations (Dadri)
- y. Pressure transmitter installed at discharge hood of cement bucket elevator for better process optimisation (Dadri)
- z. Real time stack emission data transfer to CPCB site (Dadri)

## II. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

### 1) Efforts, in brief, made towards Technology Absorption, Adaption and Innovation:

- a. Shell Scanner for Gaj-ambuja (Ambujanagar)
- b. PLC replacement for Crusher and Declaimer at Gaj-ambuja (Ambujanagar)
- c. Replacement of 12 spout packer with 8 spout packer at Gaj-ambuja. (Ambujanagar)

- aa. Installation of Roller Press in Cement Mill-1 to increase the through put of mill & subsequently reduction in Specific power Consumption (Sankrail)
- bb. Installation & Commissioning of energy management system (Sankrail)

## 2) Benefits derived as a result of the above efforts in the year 2015

- a. Improved operational efficiency, equipment availability and reduction in maintenance cost (Ambujanagar)
- b. Appropriate reporting of power consumption which is helpful for further power optimisation (Bhatapara)
- c. Controlled & optimised coal feeding in Coal Mill (Bhatapara)
- d. Reduction in explosive consumption during blasting and better yield (Bhatapara)
- e. Hot Standby equipment, Improvement in MTBF (Bhatapara)
- f. Reduction of Power Consumption in compressor (Bhatapara)
- g. Increase Packing Capacity & reduction of loading time (Bhatapara)
- h. Improved operational efficiencies, productivity & reduction in Sp. Power Consumption (Sankrail)

## 3) Information regarding Technology Imported during last 3 years

Total Investment of Rs 10.6 Cr. made in Imported Technologies (Fully absorbed Technologies)

- a. Mechanical Kiln Monitoring (MKM) system (Ambujanagar)
- b. Multicore and Vertical Blender for PPC Blending for efficient blending of OPC and ground fly ash to produce PPC (Ambujanagar)

- c. "Installation of Kiln shell scanner, Kiln feed actuator, x-ray analyzer. (Ambujanagar)
- d. Technical Information system for better online information (Bhatapara)
- e. LIMS Implementation for monitoring of quality parameters globally (Sankrail)
- f. RT-DAS Software for motoring of pollution level and taking required action immediately as per that (Sankrail)
- g. Installation of CAAQMS at Mines location (Rabriyawas)
- h. Installation of KIMA electronic mill ear system (Rabriyawas)
- i. Cement Packer No-3 old electronic version replaced from MEC to Unipulse-800 (Rabriyawas)
- j. "Replacement of helium gas based XRF machine with XRF SPECTRO IQ II (multi-Channel functions, no helium required) (Bathinda)
- k. Installation of LIMS (Roorkee)
- l. Installation of Particle size analyzer, Alpin Zet Residue analyzer and XRF (Roorke)
- m. Installation of Multicore in FA dozing system for better accuracy on increased capacity (Farakka)

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:		
Category	Current Year (₹ In Crores)	Previous Year (₹ In Crores)
Used	879.13	902.43
Earned	11.03	50.80

## ANNEXURE VI TO THE DIRECTORS' REPORT

### Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### (1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2015 (Amount in ₹)	526,308
Percentage increase in the median remuneration of employees in the Financial Year	9.40%
Number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> December, 2015	5,380

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2015
<b>Non Executive Directors</b>		
Mr. N. S. Sekhsaria	8.09	8%
Mr. Bernard Terver	6.84	8%
Mr. Bernard Fontana	1.74	-46%
Mr. Eric Olsen	1.51	N.A.
Mr. Christof Hassig	0.29	N.A.
Ms. Usha Sangwan	3.33	43%
Mr. B. L. Taparla	26.87	3%
<b>Independent Directors</b>		
Mr. Nasser Munjee	6.78	8%
Mr. Rajendra Chitale	7.94	-
Mr. Shailesh Haribhakti	6.63	7%
Dr. Omkar Goswami	6.31	5%
Mr. Haigreve Khaitan	5.87	1%
<b>Executive Director</b>		
Mr. Ajay Kapur, MD & CEO	120.62	15%
<b>Other KMPs</b>		
Mr. Sanjeev Churiwala (former CFO)	46.39	7%
Mr. Rajiv Gandhi, Company Secretary	15.03	23%

Notes:

- The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2015.
- Mr. Bernard Fontana resigned as Director w.e.f. 17.07.2015. Mr. Eric Olsen and Mr. Christof Hassig were appointed w.e.f. 24.07.2015 and 09.12.2015 respectively. Accordingly, their remuneration is for the proportionate period in the office.
- Mr. Sanjeev Churiwala resigned as the CFO of the company w.e.f. 16.11.2015
- Median remuneration of other employees excluding Key Managerial Personnel has increased by 9.38%.
- Increase in average remuneration of employees excluding Key Managerial Personnel is 12.86%.
- Remuneration of Key Managerial Personnel has increased by 16.31%.

#### (2) Relationship between average increase in remuneration and company performance:

	2014	2015	% increase
Percentage increase in the average remuneration of all employees in the Financial Year	819,543	922,381	12.55%

Net Revenue of the Company during the Financial Year 2015 declined by 5.5% at Rs.9,368 crores as compared to previous years Rs.9,911 crores. The total employee cost during the said period was Rs.589.52 crores. The overall performance of the Company was under pressure due to challenging economic conditions and slow progress of infrastructure and real estate sectors. These are explained in more detailed in the MDA and Directors' Report. Average increase in the remuneration is guided by various factors such as inflation, normal salary revision, talent retention and other external factors

#### (3) Comparison of the remuneration of the KMP against the performance of the company:

Aggregate remuneration of KMP in Financial Year 2015 (₹ in crores)	9.58
Total Revenue (₹ in crores)	9,368
Remuneration of KMPs (as % of Total Revenue)	0.10
Profit Before Tax (₹ in crores)	1172
Remuneration of KMPs (as % of profit before tax)	0.82

- (4) Variation in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Sr. no.	Description	Amount
<b>1.</b>	<b>Market Capitalisation variation (₹ in crores)</b>	
	Market Cap at 31 <sup>st</sup> December, 2015 (₹ in crores)	31,511
	Market Cap at 31 <sup>st</sup> December, 2014 (₹ in crores)	35,466
	Variation in Market Cap in FY 2015 (%)	(11.15)
<b>2.</b>	<b>Price-to-Earnings Ratio</b>	
	PE as at 31 <sup>st</sup> December, 2015 (Mkt Price / EPS)	39.02
	PE as at 31 <sup>st</sup> December, 2014 (Mkt Price / EPS)	23.65
	Variation in PE in FY 2015 (%)	65
<b>3.</b>	<b>% Increase / Decrease from last Public Offer</b>	
	FPO price per share (on October, 1992)	40
	Market price as at 31 <sup>st</sup> December, 2015	203.05
	% increase from last Public Offer	408

- (5) Average percentile increase made in the salaries of employees other than the Managerial Personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:

Average percentile increase in the salaries of employees other than Managerial Personnel is 12.43% while percentile increase in the Managerial Remuneration is 15.34%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the Managerial Personnel is in line with the industry practice and is within the normal range.

- (6) Comparison of remuneration of KMP against the performance of the company:

Sr. no.	Particulars of Remuneration	KMP		
		Mr. Ajay Kapur MD & CEO	Mr. Sanjeev Churiwala CFO	Mr. Rajiv Gandhi Company Secretary
1.	Remuneration in FY 2015 (₹ in crores)	6.35	2.44	0.79
2.	Total Revenue (₹ in crores)	9,368		
3.	Remuneration (as % of total revenue)	0.07	0.03	0.00
4.	Profit Before Tax (₹ in crores)	1,172		
5.	Remuneration (as % of profit before tax)	0.54	0.21	0.07

- (7) Key parameters for variable component of remuneration paid to Directors:

Remuneration to the MD & CEO includes basic salary, performance bonus, allowance, contribution to provident, superannuation and gratuity funds and perquisites (including monetary value of taxable perquisites).

Remuneration to Non-executive Directors involve sitting fees for attending meetings of the Board/Committees and annual commission as may be recommended by the Nomination & Remuneration Committee and approved by the Board. The annual commission is paid in proportion to the number of days in office and paid uniformly to all the Directors (except Mr. B.L. Taparia, who is paid monthly advisory service fee) on the principles of collective responsibility. Additional commission is paid to the Chairman of the Board and the Chairman of the Audit Committee considering their greater involvement in various compliance and governance matters.

- (8) The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

Not Applicable, since no employee of the Company receives remuneration in excess of the highest paid Director, i.e. MD & CEO.

- (9) The remuneration is as per the remuneration policy of the company.

## Form AOC-1

(Pursuant to first proviso sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries and joint ventures

₹ in crores

Name of subsidiary company	Financial year ending on	As on and for the year ended	Reporting Currency	Share capital	Reserves and surplus	Total assets	Total liabilities	Turnover	Profit / (loss) before tax	Provision for taxation	Profit / (loss) after tax	% of Shareholding
M.G.T. Cements Private Limited	31/12/2015	31/12/2015	Indian Rupee	0.75	(0.74)	0.02	-	-	(0.02)	-	(0.02)	100.00
	31/12/2014	31/12/2014	Indian Rupee	0.75	(0.72)	0.03	-	-	(0.01)	-	(0.01)	99.99
Chemical Limes Mundwa Private Limited	31/12/2015	31/12/2015	Indian Rupee	5.14	(3.97)	2.11	0.94	-	(0.13)	-	(0.13)	100.00
	31/12/2014	31/12/2014	Indian Rupee	5.14	(3.84)	1.45	0.15	-	0.02	-	0.02	99.99
Kakinada Cements Limited	31/12/2015	31/12/2015	Indian Rupee	0.10	(0.10)	-	-	-	(0.03)	-	(0.03)	100.00
	31/12/2014	31/12/2014	Indian Rupee	0.10	(0.07)	0.04	-	-	(0.01)	-	(0.01)	100.00
Dirk India Private Limited	31/12/2015	31/12/2015	Indian Rupee	2.08	(31.01)	27.94	56.87	6.96	(1.25)	-	(1.25)	100.00
	31/12/2014	31/12/2014	Indian Rupee	2.08	(27.34)	27.53	52.79	11.63	(10.63)	(0.04)	(10.67)	100.00
Dang Cement Industries Private Limited	16/7/2015	31/12/2015	Nepalese Rupee	13.84	(5.35)	8.50	-	-	(0.05)	-	(0.05)	91.63
	16/7/2014	31/12/2014	Nepalese Rupee	13.84	(5.29)	8.55	-	-	0.11	-	0.11	91.63

Name of Joint Ventures company	Latest audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end		Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / (loss)		
		No.	Amount of investment in Joint Venture		For the Year	Considered in Consolidation	Not Considered in Consolidation
Counto Microfine Private Limited	31/12/2015	4,010,002	10.00	25.86	2.92	1.46	1.46
	31/12/2014	4,010,002	10.00	22.96	1.72	0.86	0.86
Wardha Vaalley Coal Field Private Limited	31/12/2015	1,227,150	1.23	(1.50)	(0.58)	(0.16)	(0.42)
	31/12/2014	1,227,150	1.23	(0.92)	(0.60)	(0.16)	(0.44)
One India BSC Private Limited*	31/12/2015	2,501,000	2.50	2.81	(2.20)	(1.10)	(1.10)

\* Refer note 53 of Standalone Financial Statements

For and on behalf of the Board

Suresh Joshi  
Chief Financial Officer

Rajiv Gandhi  
Company Secretary

N.S. Sekhsaria  
Chairman

Eric Olsen  
Director

Shailesh Haribhakti  
Director

Christof Hassig  
Director

Rajendra P. Chitale  
Chairman - Audit Committee

Omkar Goswami  
Director

Haigreve Khaitan  
Director

Ajay Kapur  
Managing Director &  
Chief Executive Officer

Bernard Terver  
Vice Chairman

Nasser Munjee  
Director

B.L. Taparia  
Director

Mumbai, 10<sup>th</sup> February, 2016

# Report on Corporate Governance

The Directors' Report on the compliance of the Corporate Governance Code is given below.

## 1. Corporate Governance

### 1.1 Company's Philosophy on Corporate Governance:

At Ambuja Cements, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers, together with the Company's ongoing contributions to the local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in our industry and our mission to create value for all our stakeholders.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

### 1.2 The Governance Structure:

Ambuja's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed.
- (ii) Committees of Directors - such as Audit Committee, Compliance Committee, Nomination & Remuneration Committee, CSR Committee and Risk Management Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework.
- (iii) Executive Management – The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.
  - (a) Executive Committee - The Executive Committee is headed by the Managing Director & CEO. The CFO and the Heads of Manufacturing, Marketing and HR are its other members. Heads of Technical and Procurement are the permanent invitees. This committee is a brain storming committee where all important business issues are discussed and decisions are taken. This Committee reviews and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies and keep the Board informed about important developments having bearing on the operational and financial performance of the Company. The Committee members report to the Managing Director & CEO.
  - (b) Managing Director & CEO - The Managing Director & CEO is responsible for achieving the Company's vision and mission, business strategies, project execution, mergers and acquisition, significant policy decisions and all the critical issues having significant business & financial implications. He is also responsible for the overall performance and growth of the Company and ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Board of Directors.

## 2. Board of Directors

### 2.1 Composition:

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of manufacturing, finance & taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of corporate financial year 2015, the total Board strength comprises of the following:

Non Independent – Non-Executive Director		
Chairman	1	
Promoter Directors	3	
Institutional Nominees (as equity investor)	1	
Other Non Executive Directors	1	<b>6</b>
Independent Director		5
Non-Independent & Executive - M.D. & CEO		1
Total Strength		<b>12</b>

Note: None of the Directors have any inter-se relation among themselves and with any employees of the Company.

## 2.2 Selection and Appointment of Director:

The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. In line with the said Policy, the Committee facilitate the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board. The abstract of the said Policy forms part of the Directors' Report.

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time. The Managing Director and all the Non-executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute.

As required under Regulation 46(2)(b) of the Listing Regulations, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at [www.ambujacement.com/investors](http://www.ambujacement.com/investors)

## 2.3 Directors' Profile

The brief profile of each Director as at the year end is given below:

### (i) Mr. N. S. Sekhsaria (Non-Executive Chairman, Non-Independent)

Mr. Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. He introduced new standards in manufacturing, management, marketing efficiency and corporate social responsibility to an industry he helped transform.

A first generation industrialist, Mr. Sekhsaria obtained his Bachelor's in Chemical Engineering with honours and distinction from the University of Bombay. As the Principal Founder-Promoter of Ambuja Cement, he was the Chief Executive & Managing Director of the Company from its inception in April 1983, until January 2006. Mr. Sekhsaria relinquished the post of Managing Director and was appointed as the Non-executive Vice Chairman when management control of the Company was transferred to Holcim. In September 2009, he was appointed as the Non-executive Chairman after Mr. Suresh Neotia relinquished the post of Chairman.

Mr. Sekhsaria built Ambuja Cement into the most efficient and profitable cement company in India. He created and developed a result-oriented management team, and an extraordinary business model for the Company that centred on continually fine-tuning efficiencies and upgrading facilities to meet increased competition and growing challenges in the Cement Industry.

Mr. Sekhsaria redefined industry practices by turning cement from a commodity into a brand, bringing cement plants closer to cement markets and linking plants to lucrative coastal markets by setting up ports and a fleet of bulk cement ships for the first time in India. During his tenure, the Company grew from a 0.7 million tonne capacity to 15 million tonnes, from a market capitalisation of ₹ 18 crores to ₹ 14,000 crores, and from a single location, to a pan-India Company which set new benchmarks for the cement industry. These achievements, from a first generation industrialist, speak volumes about Mr. Sekhsaria's vision, business acumen and leadership qualities.

### (ii) Mr. Bernard Terver (Non-Executive Promoter Director representing LafargeHolcim Ltd., Non-Independent) (upto 10<sup>th</sup> February, 2016)

Mr. Terver is a French national and the Vice Chairman of the Board. Born in 1952, he concluded his studies at the Ecole Polytechnique, Paris in 1976. After beginning his career in the steel industry, in 1977 he moved to cement producer CEDEST, which was taken over by Holcim France in 1994. In 1999, Mr. Terver became CEO of Holcim Colombia and in 2003, he was appointed as Area Manager for Andes nations, Central America and the Caribbean. Since October, 2008 he has been CEO of Holcim US and effective November 2010, CEO of Aggregate Industries US. Effective 1<sup>st</sup> September, 2012, he has been appointed as member of the Executive



Committee and effective January 01, 2014 he has been made in charge of the Indian subcontinent (India, Sri Lanka and Bangladesh), Africa and Middle East. Since July, 2015, Mr. Terver has been nominated as Head of India in the new Lafarge-Holcim group.

He joined the Board in December, 2013.

**(iii) Mr. Eric Olsen (Non-Executive Promoter Director representing LafargeHolcim Ltd., Non- Independent)**

Mr. Olsen is American and French national and is a Business Graduate from the University of Colorado, Certified Public Accountant from Chicago and a MBA from HEC International Business School in Paris. He is currently the CEO of LafargeHolcim Ltd., the ultimate holding company of Ambuja. Prior to the global merger of Lafarge and Holcim, he served as the Executive Vice President – Operations of Lafarge and a member of its Executive Committee. He joined Lafarge group in 1999 as Senior Vice President for Strategy & Development of Lafarge, North America. Since 2001, he served as President, north-east cement region and Senior Vice President, Purchasing. Since 2004, Mr. Olsen served as the CFO and Senior Vice President for Lafarge North America, a NYSE listed company. From 2007 to 2012, he served as Executive Vice President, Organisation and Human Resources of Lafarge group. Prior to joining Lafarge group, Mr. Olsen has worked with Deloitte & Touche, Banque Paribas and was a partner of Trinity Associates.

He joined the Board in July, 2015.

**(iv) Mr. Christof Hassig (Non-Executive Promoter Director representing LafargeHolcim Ltd., Non-Independent)**

Mr. Hassig is a Swiss national and a professional banker with Masters in Banking and the Advanced Management Program at Harvard Business School. He is currently the Head of the Corporate Strategy and Mergers & Acquisitions function at LafargeHolcim Ltd. Before joining the erstwhile Holcim Ltd., Mr. Hassig worked for over twenty years at UBS in different functions including global relationship manager and investment banker. In erstwhile Holcim, he has worked in corporate finance & treasury functions for over fifteen years. In 2013, he took over the additional responsibility as Head of Mergers & Acquisitions.

He joined the Board in December, 2015.

**(v) Mr. Nasser Munjee (Non-Executive, Independent Director)**

Mr. Munjee holds a Bachelor's and a Master's degree from the London School of Economics (LSE), U.K. His journey in creating financial institutions began with HDFC, which he joined at its inception in February 1978. In March 1993, he joined the Board of HDFC as Executive Director until 1997. He continues to be an Independent Director on the Board of HDFC along with other leading companies like ABB India Ltd., Cummins India Ltd., Tata Motors, Tata Chemicals, Britannia Industries, Jaguar Land Rover and GoAir. In 1997, Mr. Munjee played a pivotal role in setting up IDFC and then was its CEO in its formative years. Mr. Munjee has a deep interest for rural development, housing finance, urban issues, specially the development of modern cities and humanitarian causes.

He is also the Chairman of DCB Bank and of two other Aga Khan institutions in India. He was the President of the Bombay Chamber of Commerce and Industry – the city's oldest Chamber of Commerce and has served on numerous Government Task Forces on Housing and Urban Development. He has been awarded as the "Best Non-Executive Independent Director 2009 by Asian Centre for Corporate Governance (ACCG).

He joined the Board in August, 2001.

**(vi) Mr. Rajendra Chitale (Non-Executive, Independent Director)**

Mr. Chitale, an eminent Chartered Accountant, is the Managing Partner of M/s. Chitale & Associates, a leading boutique international structuring, tax and legal advisory firm and of M. P. Chitale & Co., a reputed accounting firm. He has served as a member of the Insurance Advisory Committee of the Insurance and Regulatory Development Authority of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the Securities & Exchange Board of India, the Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served on the Board of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Ltd., National Securities Clearing Corporation Limited and SBI Capital Markets Ltd. He is on the Board of several large corporates.

He joined the Board in July, 2002.

**(vii) Mr. Shailesh Haribhakti (Non-Executive, Independent Director)**

Mr. Haribhakti, an eminent Chartered Accountant, is a deeply engaged Independent Director. His strong belief is that good governance is a sustainable competitive advantage creator. Evolving from a background in Audit, Tax and Consulting, he now seeks to create enduring value for Companies and organizations he is involved with. He is a strong supporter of a clean and green environment and is pioneering the concept of 'innovating to zero' in the social context. He is currently Chairman of the National Pension Scheme Trust of India; serves on Boards of

Multinational and Indian Companies; 'Not for Profit' organizations and is a Member of several Advisory Boards. He is Managing Partner of Haribhakti & Co LLP, Chartered Accountants.

He joined the Board in May, 2006.

**(viii) Dr. Omkar Goswami (Non-Executive, Independent Director)**

Dr. Goswami, a professional economist, did his Master's in Economics from the Delhi School of Economics and his D. Phil (Ph.D.) from Oxford University. He taught and researched economics for 20 years at various reputed universities in India and abroad. During a career spanning over three decades, he has been associated as advisor to several Government committees and international organizations like the World Bank, the OECD, the IMF and the ADB. He has also served as the Editor of "Business India", one of India's prestigious business magazines and as the Chief Economist of the Confederation of Indian Industry. Dr. Goswami is the Founder and Executive Chairman of CERG Advisory Pvt. Ltd., which is engaged in corporate advisory and consulting services for companies in India and abroad. He also serves on the Board of several large Corporate.

He joined the Board in July, 2006.

**(ix) Mr. Haigreve Khaitan (Non-Executive, Independent Director)**

Mr. Khaitan is a law graduate and is a Partner of reputed law firm, Khaitan & Co. He started his career in litigation and over the years has been involved in many Mergers & Acquisitions and private equity transactions, as well as project finance transactions. He has rich experience in all aspects of Mergers & Acquisitions, Corporate Restructuring, Demergers, Spin-offs, Sale of Assets, Foreign Investments, Joint Ventures and Foreign Collaborations. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail, etc.

He has been recommended by Chambers & Partners, Legal 500 & PLC. IFLR 1000 has recommended him as one of the leading lawyers in India. He has been ranked as the "Band 1 Lawyer" for Corporate/M & A transactions. Asialaw Leading Lawyers 2013 India M & A Atlas Awards 2013 regards him as one of the "Leading Lawyers for M & A Transactions". He is on the Board of some of the large public listed companies.

He joined the Board in July, 2012.

**(x) Ms. Usha Sangwan (Non-Executive, Non-Independent Director, Institutional Nominee)**

Ms. Sangwan, is currently the Managing Director of Life Insurance Corporation of India. She holds a Master's Degree in Economics and a Post Graduate Diploma in Human Resource Management. She has worked in almost all core areas of life insurance including Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations and Corporate Communications and has over 30 years of experience. Her expertise lies in analytics, strategy, execution, people skill, use of technology particularly in marketing and servicing and setting up of systems.

Ms. Sangwan is on the Board of Axis Bank Ltd., LIC HFL Care Homes, LIC (Singapore) Pte. Ltd. and LIC (Lanka) Ltd., Member of Governing Council of National Insurance Academy, Pune. She has been awarded the "Women Leadership Award" in BFSI sector by Institute of Public Enterprise and "Brand Slam Leadership Award" by CMO Asia. She has also been awarded "Women Leadership Role Model" by Top Rankers Management Consultants and has won the "Corporate Leadership Award for 2014" by Colour TV.

She joined the Board in April, 2014.

**(xi) Mr. B.L. Taparia (Non-Executive, Non-Independent Director)**

Mr. Taparia is a Commerce and Law graduate and a fellow member of the Institute of Company Secretaries of India. He possesses more than 40 years of working experience in the fields of Legal, Secretarial, Finance, Taxation, Procurement, Internal Audit, HR, Health & Safety, and Sustainability. He joined the Company in the year 1983 as Deputy Company Secretary. After working at different positions in the Company, he was promoted as Whole-time Director in the year 1999 and he served as that till 2009. Throughout his career in Ambuja Cement, he was member of the Core Management Committee responsible for the growth of the Company. Mr. Taparia superannuated from the Company in July, 2012.

He re-joined the Board in September, 2012.

**(xii) Mr. Ajay Kapur (Executive, Non-Independent, Managing Director & CEO)**

Mr. Kapur holds an Economics degree from St. Xavier's College, Mumbai and a Masters in Management with marketing specialisation. He is an alumnus of the Wharton Advanced Management Program, Wharton Business School, USA.

Following a stint with Citibank's consumer banking business, Mr. Kapur joined Ambuja Cement in 1993 as the Executive Assistant to the then Managing Director and Founder, Mr. N.S. Sekhsaria. From there, he moved on as the Marketing Head for West & South region (2001-07). As National Head – Marketing and Commercial Services (2007-09), he was simultaneously inducted into the Executive Committee of the company. In 2009, he was

appointed Business Head (West & South region) and in May, 2012, was made CEO of the company. Soon after, he was made Deputy Managing Director & CEO on 1<sup>st</sup> August, 2013; and then Managing Director & CEO on 25<sup>th</sup> April, 2014.

Mr. Kapur shares a close, symbiotic relationship with the cement industry for over two decades. This has lent him a keen and multi-faceted adaptability to the industry's ever-changing dynamics, customer behavior and needs. He is known for his hands-on and performance-oriented work culture. Towards that, he has initiated several operational excellence programs during his tenure as CEO and later on as MD.

Mr. Kapur also evolved a sharp focus on sustainability. He is a co-chair of the CSI forum of the WBCSD, and a member of the Board of Governors of National Council for Cement and Building Materials. He is the Chairman of CII-Cement Industry Division.

Mr. Kapur also drives a strong focus on safety within the company, through the 'We Care' initiative. Mr. Kapur has successfully improved the safety standards of the company and of everyone associated with it.

He joined the Board in July, 2013.

## 2.4 Meetings, agenda and proceedings etc. of the Board Meeting:

Meetings:

The Board generally meets 5 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. The Directors are also given an option of attending the board meeting through video conferencing. During the year ended on 31<sup>st</sup> December, 2015, the Board of Directors had 7 meetings. These were held on 12<sup>th</sup> January, 2015, 18<sup>th</sup> February, 2015, 24<sup>th</sup> March, 2015, 29<sup>th</sup> April, 2015, 27<sup>th</sup> July, 2015, 28<sup>th</sup> October, 2015 and 9<sup>th</sup> December, 2015. The last Annual General Meeting (AGM) was held on 8<sup>th</sup> April, 2015. The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> December, 2015, and at the last AGM is as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. N. S. Sekhsaria	Chairman, Non Executive	7	Yes
2.	Mr. Bernard Terver	Vice Chairman, Non Executive	6	No
3.	Mr. Eric Olsen (w.e.f. 27.07.2015)	Non Executive	2 of 3	N.A.
4.	Mr. Christof Hassig (w.e.f. 09.12.2015)	Non Executive	1 of 1	N.A.
5.	Mr. Nasser Munjee	Independent	5	No
6.	Mr. Rajendra Chitale	Independent	5	Yes
7.	Mr. Shaillesh Haribhakti	Independent	6	Yes
8.	Dr. Omkar Goswami	Independent	4	Yes
9.	Mr. Haigreve Khaitan	Independent	4	No
10.	Ms. Usha Sangwan	Non-Executive, Nominee	3	No
11.	Mr. B. L. Taparia	Non-Executive	7	Yes
12.	Mr. Ajay Kapur	Managing Director & CEO	7	Yes
13.	Mr. Bernard Fontana (upto 17.07.2015)	Non-Executive	1 of 4	No

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8<sup>th</sup> December, 2015 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification / approval.

#### Invitees & Proceedings:

Apart from the Board members, the Company Secretary, the CFO, the Heads of Manufacturing and Marketing are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director, and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

#### Post Meeting Action:

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Managing Director and Company Secretary for the action taken / pending to be taken.

#### Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

### 2.5 Other Directorships etc.:

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. The Managing Director & CEO does not serve as Independent Director on any listed company. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31<sup>st</sup> December, 2015, are given below:-

Sr. No.	Name of the Director	Other Directorships <sup>1</sup>	Committee Positions in India <sup>2</sup>	
			Chairman	Member
1.	Mr. N. S. Sekhsaria	2	Nil	Nil
2.	Mr. Bernard Terver	1	1	1
3.	Mr. Eric Olsen (w.e.f. 27.07.2015)	1	Nil	Nil
4.	Mr. Christof Hassig (w.e.f. 09.12.2015)	1	Nil	Nil
5.	Mr. Nasser Munjee	9	4	1
6.	Mr. Rajendra P. Chitale	7	2	5
7.	Mr. Shailesh V. Haribhakti	9	5	5
8.	Dr. Omkar Goswami	8	1	6
9.	Mr. Haigreve Khaitan	9	3	4
10.	Ms. Usha Sangwan	4	Nil	1
11.	Mr. B.L. Taparia	2	Nil	1
12.	Mr. Ajay Kapur	2	Nil	Nil

<sup>1</sup> Includes Directorships of Indian public limited companies other than Ambuja Cements Limited.

<sup>2</sup> Includes only Audit Committee and Stakeholders' Relationship Committee of Public limited companies (whether listed or not) other than Ambuja Cements Limited.

### 2.6 Induction and Familiarization Program for Directors:

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director & CEO, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The program also includes visit to the plant to familiarize them with all facets of cement manufacturing. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarization program can be accessed from the website: [www.ambujacement.com](http://www.ambujacement.com)

## 2.7 Board Evaluation:

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. In case of evaluation of the individual Directors, one to one meeting of each Director with the Chairman of the Board and the Chairman of the Nomination & Remuneration Committee was held.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

## 2.8 Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Company believes in "Zero Tolerance" to bribery and corruption in any form and in line with our governance philosophy of doing business in most ethical and transparent manner, the Board has laid down an "Anti Bribery and Corruption Directives", which is embedded to the Code. The Code of Conduct is posted on the website of the Company.

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director & CEO is attached and forms part of the Annual Report of the Company.

## 2.9 Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. Rajiv Gandhi, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

## 3. Audit Committee

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee.

### 3.1 Composition and Meetings:-

The Audit Committee had 5 meetings during the year 2015. The attendance of each committee member was as under:-

Sr. No.	Name of the Directors	No. of Meetings Attended
1.	Mr. Rajendra Chitale, (Chairman) – Independent	4
2.	Mr. Nasser Munjee – Independent	5
3.	Mr. Omkar Goswami – Independent	4
4.	Mr. Bernard Terver – Non-Independent	4

Mr. Rajendra Chitale, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholders queries.

### 3.2 Invitees / Participants:-

1. The M.D. & CEO and Mr. B. L. Taparia, Director are the permanent invitees to all Audit Committee meetings.
2. Head of Internal Audit department attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that come up during discussions.
3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
4. The representatives of the Cost Auditors have attended 1(one) Audit Committee Meeting when the Cost Audit Report was discussed.

5. The CFO and the Heads of Manufacturing and Marketing also attends all the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc. Other executives are invited to attend the meeting as and when required.
6. The Committee also invites the representatives of LafargeHolcim group's internal audit department to attend the Audit Committee meetings for review of the special audit projects undertaken by them and also to get their valuable support and guidance on the international best practices in internal audit and strengthening of internal controls.

### **3.3 Private Meetings:-**

In order to get the inputs and opinions of the Statutory Auditors and the Internal Auditors, the Committee also held one separate one-to-one meeting during the year with the Statutory Auditor and Head of Internal Audit department but without the presence of the M.D. & CEO and the management representatives.

### **3.4 Terms of Reference:-**

The terms of reference of the Audit Committee are as per the guidelines set out in the listing regulations read with section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements and the auditor's report, (v) interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- (i) Matter included in the Director's Responsibility Statement.
- (ii) Changes, if any, in the accounting policies.
- (iii) Major accounting estimates and significant adjustments in financial statement.
- (iv) Compliance with listing and other legal requirements concerning financial statements.
- (v) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval given.
- (vi) Qualification in draft audit report.
- (vii) Scrutiny of inter-corporate loans & investments.
- (viii) Management's Discussions and Analysis of Company's operations.
- (ix) Valuation of undertakings or assets of the company, wherever it is necessary.
- (x) Periodical Internal Audit Reports and the report of Ethical View Reporting Committee (Fraud Risk Management Committee).
- (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
- (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- (xiv) Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- (xv) Recommend to the Board, the appointment and remuneration of the CFO and Chief Internal Auditors.

### **3.5 Other Matters:-**

- i. The Audit Committee has framed its Charter for the purpose of effective compliance of regulation 18 of the listing regulations. The Charter is reviewed by the Committee from time-to-time and necessary amendments as may be required are made in it.
- ii. In view of large number of laws & regulations applicable to the Company's business, their complexities and the time required for monitoring the compliances, the task of monitoring and review of legal & regulatory compliances has been assigned to a separate committee of directors called the "Compliance Committee". The composition and the scope/function of Compliance Committee are given under point no. 4 below.

#### 4. Compliance Committee

With the rapid growth of business and its complexities coupled with increasing regulatory compliances, the Board felt it necessary to have zero non compliance regimes for sustainable business operations. With this object, a structured mechanism for ensuring full compliance of various statutes, rules & regulations has been put in place and a separate Committee of Directors by the name "Compliance Committee" has been constituted by the Board.

The Committee consists of the members as stated below. During the year 2015, the Committee held 4 meetings which were attended by the members as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Haigreve Khaitan (Chairman)	Independent	2
2.	Mr. Shailesh Haribhakti,	Independent	3
3.	Dr. Omkar Goswami	Independent	4
4.	Mr. Bernard Terver	Non-Independent	3
5.	Mr. B. L. Taparia	Non-Independent	4
6.	Mr. Ajay Kapur (w.e.f. 28.04.2015)	Non-Independent	4

The CFO and the Head of Legal department are the Permanent Invitees to all the Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Committee are to:

- periodically review the Legal Compliance Audit report of various Units / Department submitted by the Corporate Legal Department;
- suggest taking necessary corrective actions for non compliance, if any;
- specifically review and confirm that all the requirements of Competition Law and Anti Bribery and Corruption Directives are fully complied with;
- review the significant amendments in the laws, rules & regulations;
- review the significant legal cases filed by and against the Company;
- review the judgements of various court cases not involving the Company as a litigant but having material impact on the Company's operations;
- periodically review the Code of Business Conduct & Ethics and Code of Conduct for prevention of Insider Trading.

The Legal and Corporate Secretarial departments provides 'backbone' support to all the business segments for timely compliance of all the applicable laws, rules & regulations by putting in place a robust compliance mechanism with adequate checks & balances and thus facilitates the management in practicing the highest standards of Corporate Governance.

The Compliance Committee on its part gives valuable guidance to ensure full compliance of all significant laws, rules & regulations as may be applicable to the Company on top priority.

#### 5. Nomination and Remuneration Committee

##### 5.1 Composition and Attendance at the Meeting

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee during the year ended on 31<sup>st</sup> December, 2015 had 7 meetings. The attendance of the members was as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Nasser Munjee (Chairman)	Independent Director	7
2.	Mr. N. S. Sekhsaria	Non-Independent Director	7
3.	Mr. Shailesh Haribhakti	Independent Director	5
4.	Mr. Bernard Terver	Non-Independent Director	5

Mr. Ajay Kapur, MD & CEO is Permanent Invitee to this Committee. Company Secretary acts as the Secretary to the Committee.

##### 5.2 Terms of Reference of the Nomination & Remuneration Committee:

The Committee is empowered to -

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and oversee the succession management process for the Board and senior management employees.

- (ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.
- (iii) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- (iv) Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- (v) Conduct Annual performance review of MD and CEO and Senior Management Employees;
- (vi) Administration of Employee Stock Option Scheme (ESOS), if any;

### 5.3 Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees.

#### Remuneration of Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies Managerial Remuneration Rule, 2014;
- ii. A Non-Executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee;
- iii. The Nomination & Remuneration Committee may recommend to the Board, the payment of commission on uniform basis to reinforce the principles of collective responsibility of the Board.
- iv. The Nomination & Remuneration Committee may recommend a higher commission for the Chairman of the Board of Directors taking into consideration his overall responsibility;
- v. In determining the quantum of commission payable to the Directors, the Nomination & Remuneration Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- vi. The Nomination & Remuneration Committee may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee and the Compliance Committee of the Board subject to a ceiling on the total commission payable may be decided;
- vii. In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission as may be recommended to the Board by the Nomination & Remuneration Committee;
- viii. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- ix. The Commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.
- x. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company;

#### Remuneration of Managing Director & CEO

- i. At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director & CEO within the overall limits prescribed under the Companies Act.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director & CEO is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:
  - a. the relationship of remuneration and performance benchmarks is clear;
  - b. balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
  - c. responsibility required to be shouldered by the Managing Director & CEO and the industry benchmarks and the current trends;



- d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs

#### Remuneration of Senior Management Employees

- i. In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:
  - a. the relationship of remuneration and performance benchmark is clear;
  - b. balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  - c. the remuneration is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive;
  - d. the remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market;
- ii. the Managing Director & CEO will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment and performance incentive to the Nomination & Remuneration Committee for its review and approval.

#### 5.4 Details of Remuneration Paid to the Directors

##### Remuneration to Directors:

- (a) The Non-Executive Directors are paid sitting fees of ₹ 50,000/- per meeting for attending the Board and Audit Committee meetings and ₹ 30,000/- per meeting for attending other committee meetings. The CSR Committee members have unanimously decided not to accept any sitting fees for the CSR Committee meeting to be attended by them.

In addition to the sitting fees, the Company also pays commission to the Non-executive Directors for their overall engagement and contribution for the Company's business. The Commission is paid on a uniform basis to reinforce the principle of collective responsibility. Accordingly, the Company has provided for payment of commission of ₹ 16 lacs to each of the Non-Executive Directors who were in office for the whole of the financial year 2015 and on pro-rata basis to those who were in office for part of the year.

Considering the accountability and the complexities of issues handled by the Audit and Compliance Committees respectively, the Company has provided additional commission of ₹ 12 lacs for each of the Non-Executive Member Directors of the Audit Committee and Compliance Committee who were in office for the whole of the financial year 2015 and on pro-rata basis to those who were in office for part of the year. The maximum commission payable to each Non-Executive Director has however been capped at ₹ 28 lacs per Director. In view of the higher degree of engagement and increased responsibility, the Company has provided for additional commission of ₹ 21 Lacs and ₹ 6 Lacs respectively to the Chairman of the Board and the Chairman of the Audit Committee.

None of the Directors hold any convertible instruments.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on 31<sup>st</sup> December, 2015 are given below:-

Sr. No.	Name of the Director	Remuneration Amount ₹ in Lacs	Sitting Fees Amount ₹ in Lacs	Commission Amount ₹ in Lacs	No. of Shares held
1.	Mr. N. S. Sekhsaria	Nil	5.60	37.00	1,000
2.	Mr. Bernard Terver	Nil	8.00	28.00	Nil
3.	Mr. Eric Olsen	Nil	1.00	6.93	Nil
4.	Mr. Christof Hassig	Nil	0.50	1.01	Nil
5.	Mr. Nasser Munjee	Nil	7.70	28.00	Nil
6.	Mr. Rajendra P. Chitale	Nil	7.80	34.00	Nil
7.	Mr. Shailesh Haribhakti	Nil	6.90	28.00	Nil
8.	Dr. Omkar Goswami	Nil	5.20	28.00	Nil
9.	Mr. Haigreve Khaitan	Nil	2.90	28.00	Nil
10.	Mr. B. L. Taparia@	134.00	7.40	Nil	3,27,284

Sr. No.	Name of the Director	Remuneration Amount ₹ in Lacs	Sitting Fees Amount ₹ in Lacs	Commission Amount ₹ in Lacs	No. of Shares held
11.	Ms. Usha Sangwan	Nil	1.50	16.00	Nil
12.	Mr. Ajay Kapur, MD & CEO#	634.83	Nil	Nil	1,85,500
13.	Mr. Bernard Fontana (upto 17.07.2015)	Nil	0.50	8.68	Nil
TOTAL		768.83	55.00	243.62	5,13,784

@ The Board has extended the advisory services agreement of Mr. B.L. Taparia for a year from 1<sup>st</sup> November, 2015 and also increased the service fee from ₹11 Lacs to ₹ 12 Lacs p.m. The increase in remuneration is subject to the approval from the shareholders.

# Appointment of MD & CEO is governed by a service contract for a period of 5 years and the notice period of 3 months. His remuneration includes basic salary, performance bonus, allowances, contribution to provident, superannuation and gratuity funds and perquisites (including monetary value of taxable perquisites) etc.

## 6. Stakeholder's Relationship Committee and Share Transfer Committee

In order to provide quality and efficient services to the investors and to align & streamline the process of share transfer/transmission, the Share Transfer Committee was merged with the Stakeholder's Relationship Committee during the year. Based on the revised scope, this Committee is now responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into allotment of shares kept in abeyance, allotment of shares on exercise of the stock options by the employees, if any and allotment of privately placed preference shares, debentures and bonds, if any.

The Committee is headed by Mr. Rajendra Chitale, Independent Director and consists of the members as stated below. During the year ended on 31<sup>st</sup> December, 2015, this Committee had 5 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent Director	5
2.	Mr. Haigreve Khaitan (w.e.f. 9 <sup>th</sup> December, 2015)	Independent Director	N.A.
3.	Mr. B. L. Taparia	Non - Independent Director	5
4.	Mr. Ajay Kapur	Managing Director & CEO	3

The Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

Nature of Complaints	Opening	Received During the Year	Resolved	Pending Resolution
Non Receipt of Bonus Shares	Nil	Nil	Nil	Nil
Non Receipt of Transferred Shares	Nil	Nil	Nil	Nil
Non Receipt of Dividend	Nil	Nil	Nil	Nil
Non Receipt of Revalidated Dividend Warrants	Nil	Nil	Nil	Nil
Letters from SEBI / Stock Exchanges, Ministry of Corporate Affairs etc.	Nil	29	29	Nil
Demat Queries	Nil	Nil	Nil	Nil
Miscellaneous Complaints	Nil	Nil	Nil	Nil
TOTAL	Nil	29	29	Nil

None of the complaints is pending for a period exceeding 30 days. All the requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

Over and above the aforesaid complaints, the Company and its Registrar & Share Transfer Agent have received around 8,500 letters / queries / requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. and we are pleased to report that except for requests received during the year end which are under process, all other queries / requests have been replied on time.

## 7. CSR Committee:

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by the Board Chairman, Mr. N. S. Sekhsaria and consists of the members as stated below. During the year ended on 31<sup>st</sup> December, 2015, this Committee had 2 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. N. S. Sekhsaria (Chairman)	Non-Independent	2
2.	Mr. Nasser Munjee	Independent	1
3.	Mr. Rajendra Chitale	Independent	1
4.	Mr. Bernard Terver	Non-Independent	2
5.	Mr. B. L. Taparia	Non-Independent	2
6.	Mr. Ajay Kapur	Managing Director	2

The Terms of Reference of the Committee are to:-

- frame the CSR Policy and its review from time-to-time.
- ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

## 8. Risk Management Committee:

In compliance with the provisions of listing regulations and Companies Act, 2013, the Board has constituted a Risk Management Committee under the Chairmanship of Mr. Rajendra Chitale and consists of the members as stated below. During the year ended on 31<sup>st</sup> December, 2015, this Committee had 2 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale	(Chairman) Independent	2
2.	Mr. Nasser Munjee	Independent	1
3.	Mr. Shailesh Haribhakti	Independent	1
4.	Mr. Bernard Terver	Non-Independent	2
5.	Dr. Omkar Goswami (w.e.f. 28 <sup>th</sup> July, 2015)	Independent	0
6.	Mr. Ajay Kapur	Managing Director & CEO	2

The Committee is required to lay down the procedures to review the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan of the Company.

The Terms of Reference of the Committee are:-

- To review the framework of BRM process;
- To risk identification and assessment;
- To review and monitoring of risk mitigation plans

During the year, the Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD & CEO and the CFO that the mitigation plans are finalised and up to date, owners are identified and the progress of mitigation actions are monitored.

## 9. Other Committees of Directors

In addition to the above referred Committees which are mandatory under the Companies Act, the Listing Regulations and under the SEBI Guidelines, the Board of Directors has constituted the following Committees of Directors to look into various business matters :-

### (A) Capex Committee

The large CAPEX needs critical evaluation of all the aspect of the projects. The detailed engineering, the profile of equipment suppliers, cost estimates & contingencies, schedule of implementation and safety & security of people are some of the critical areas where focused appraisal is required at the highest level. In view of the same, a separate CAPEX Committee of Directors was formed w.e.f 1<sup>st</sup> May, 2010. The Committee comprises of Mr. Bernard Terver, Chairman, Mr. Nasser Munjee and Mr. Rajendra P. Chitale as the Members. Mr. Ajay Kapur, Managing Director and Mr. M. L. Narula (former Managing Director of ACC Ltd.) are the permanent invitees for all the Committee meetings.

The Roles and Responsibilities of the Committee are as follows:

- a) To approve and recommend to the Board, all CAPEX proposals for green field plants, new kilns or power plants;
- b) To critically evaluate all the aspect of techno commercial feasibility and financial viability of these projects.

The Committee did not hold any meeting during the year under review.

## **(B) Management Committee**

The Management Committee is formed to authorize grant of Power of Attorney to executives, to approve various facilities as and when granted by the Banks and execution of documents for these facilities. Four committee meetings were held during the year 2015. The committee comprises of Mr. Rajendra Chitale, Chairman, Mr. Shailesh Haribhakti, Mr. B.L. Taparia and Mr. Ajay Kapur as the Members.

## **10. Vigil Mechanism and Ethical View Policy**

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Companies Act, 2013 and the listing regulations requires all the listed companies to institutionalize the vigil mechanism and whistle blower policy. The Company since its inception believes in honest and ethical conduct from all the employees and others who are associated directly and indirectly with the Company. The Audit Committee is also committed to ensure fraud-free work environment and to this end the Committee has laid down a Ethical View Policy (akin to the Whistle Blower Policy), long before the same was made mandatory under the law. The policy provides a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud/misconduct through any of the following reporting protocols:

- E-mail : [acl@ethicalview.com](mailto:acl@ethicalview.com)
- National Toll Free Phone Line : 18002091005
- Fax Number : 022 – 66459796
- Written Communication to : P. O. Box No. 25, HO, Pune – 411 001
- Filling online report through : <https://integrityline.lafargeholcim.com>

In order to instil more confidence amongst Whistle Blowers, the management of the above referred reporting protocols are managed by an independent agency. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases.

This policy is applicable to all the directors, employees, vendors and customers of the Company and contains features similar to the Whistle Blower Policy. The policy is also posted on the website of the Company.

The main objectives of the policy are:

- (i) To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.
- (ii) To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.
- (iii) To provide healthy and fraud-free work culture.
- (iv) Promotion of ACL's zero tolerance compliance approach

For the effective implementation of the policy, the Audit Committee has constituted an Ethical View Reporting Committee (EVC) of very senior executives/director comprising of:

- i) Mr. B. L. Taparia, Non - Executive Director – Chairman
- ii) Mr. Sanjay Khajanchi (Head – Corporate Controlling) – Member
- iii) Mr. A. J. Pandya, Advisor – Member
- iv) Mr. Prabhakar Mukhopadhyay – Chief Internal Auditor – Member

The Company Secretary acts as the Response Manager and Secretary to the Committee.

The EVC is responsible for the following:

- (i) implementation of the policy and spreading awareness amongst employees;
- (ii) review all reported cases of suspected fraud / misconduct;

- (iii) order investigation of any case either through internal audit department or through external investigating agencies or experts;
- (iv) recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;
- (v) annual review of the policy.

The EVC functions independently and reports directly to the Audit Committee.

## 11. General Body Meetings

### (i) Annual General Meeting (AGM):

The Company convenes Annual General Meeting generally within four months of the close of the Corporate Financial Year. The details of Annual General Meetings held in last 3 years are as under:-

Year	Day, Date and Time	Venue	Whether Special Resolution passed
2012	30 <sup>th</sup> AGM held on Thursday, 4 <sup>th</sup> April, 2013 at 10.00 am.	Registered Office	Yes
2013	31 <sup>st</sup> AGM held on Thursday, 10 <sup>th</sup> April, 2014 at 10.00 am	Registered Office	Yes
2014	32 <sup>nd</sup> AGM held on Thursday, 8 <sup>th</sup> April, 2015 at 10.30 am	Registered Office	No

### (ii) Extra Ordinary General Meetings and Postal Ballot:

In addition to Annual General Meeting, the Company holds Extra Ordinary General Meetings of the shareholders or obtain their approval through Postal Ballot as and when need arises.

During the year no EGM was convened nor any approval of the shareholders obtained through Postal Ballot.

## 12. Disclosures

- Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [http://www.ambujacement.com/wp-content/uploads/2015/12/policy\\_on\\_determining\\_materiality\\_of\\_rpt\\_28\\_oct\\_2015\\_revised.pdf](http://www.ambujacement.com/wp-content/uploads/2015/12/policy_on_determining_materiality_of_rpt_28_oct_2015_revised.pdf).
- The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The details of the Risk Management Committee is provided at point no. 8 of this report.
- During the year ended 31<sup>st</sup> December, 2015, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website. The web link is <http://www.ambujacement.com/investor-relations/policy-material-subsiaries/>.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.

## 13. CEO / CFO Certification

The MD & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## 14. Discretionary Requirements under Regulation 27 of Listing Regulation

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

- 14.1 Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO. However, the same is now maintained by the Chairman himself.
- 14.2 Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.
- 14.3 Modified Opinion in Auditors Report: The Company's financial statement for the year 2015 does not contain any modified audit opinion.
- 14.4 Separate posts of Chairman and CEO: The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.
- 14.5 Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

## 15. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in The Financial Express, Business Standard and other newspapers.

These results are simultaneously posted on the website of the Company at [www.ambujacement.com](http://www.ambujacement.com) and also uploaded on the website of National Stock Exchange of India Ltd. and the Bombay Stock Exchange of India Ltd.

The official press releases and presentation made to Institutional Investors / Analysts, if any, are also available on the Company's website.

## 16. General Shareholders' Information

### 16.1 Annual General Meeting:

Day & Date : Thursday, 14<sup>th</sup> April, 2016  
Time : 10.30 a.m.  
Venue : P.O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat - 362 715.  
(Registered Office of the Company)

### 16.2 Financial Calendar:

The Company follows the period of 1<sup>st</sup> January to 31<sup>st</sup> December, as the Financial Year.

First quarterly results : April, 2016  
Second quarterly / Half yearly results : July, 2016  
Third quarterly results : October, 2016  
Annual results for the year ending on 31<sup>st</sup> December, 2016 : February, 2017  
Annual General Meeting for the year ending on 31<sup>st</sup> December, 2016 : April, 2017

### 16.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 24<sup>th</sup> February, 2016 till Monday, the 29<sup>th</sup> February, 2016 till (both days inclusive) for payment of final dividend.

### 16.4 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders from 21<sup>st</sup> April, 2016 onwards.

### 16.5 Dividend Policy:

The first issue of shares was made by the Company in the year 1985 at ₹ 10/- per share. Company is paying dividend from its very first full year of operation. From a modest dividend of 11% in 1987-88, the Company has been increasing dividend almost every year. This year, the Board has recommended total dividend of 140% (₹ 2.80/- per share) including 60% (₹ 1.20/- per share) paid as interim dividend. As a future policy for payment of dividend, Company shall endeavour to follow a pay-out ratio of more than 50% in the ordinary circumstances.

**16.6 Dividend history for the last 5 years is as under:**

Financial year	Interim Dividend Rate (%)	Final Dividend Rate (%)	Total Dividend Rate (%)	Dividend Amt. (₹ in Crores)
2010	60	70	130	397.22
2011	70	90	160	490.68
2012	70	110	180	554.80
2013	70	110	180	556.34
2014	90	160	250	774.61

**16.7 Listing of Shares & Other Securities:****A. Equity Shares**

The equity shares are at present listed at the following Stock Exchanges:

Name of the Stock Exchanges	Stock Code / Symbol
(i) Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500425
(ii) National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	AMBUJACEM

**B. Debentures**

There are no outstanding debentures.

**C. GDRs**

The GDRs are listed under the EURO MTF Platform (Code:US02336R2004) of Luxembourg Stock Exchange, Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P.165.

**D. ISIN Code for the Company's equity share :**

INE079A01024

**E. Corporate Identity Number (CIN) :**

L26942GJ1981PLC004717

**16.8 Listing Fees:**

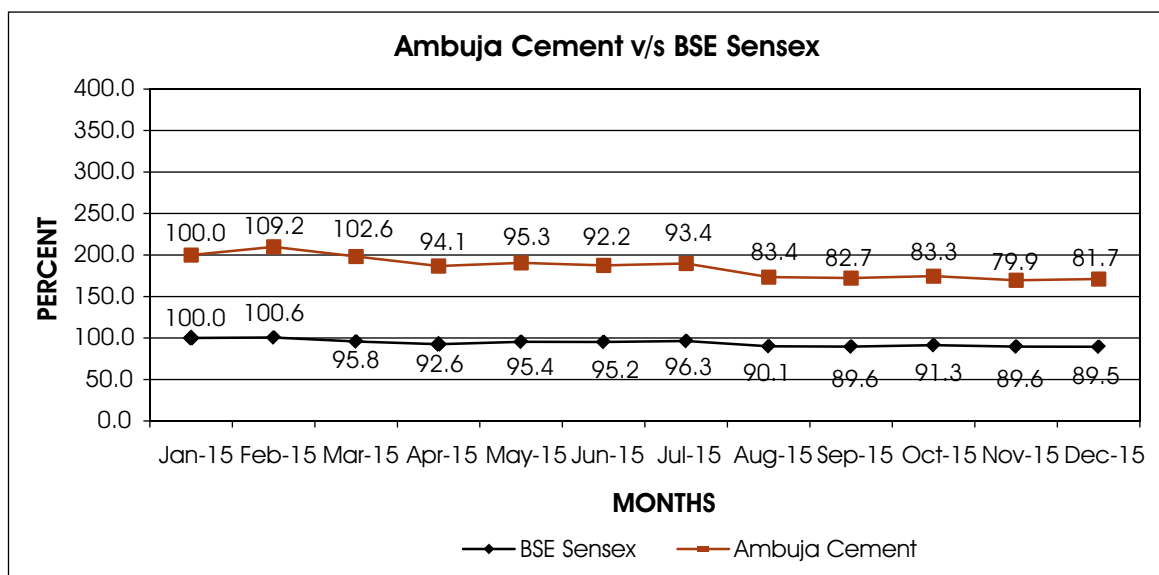
The Company has paid listing fees up to 31<sup>st</sup> March, 2016 to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

**16.9 Market Price Data:**

The high / low market price of the shares during the year 2015 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January-15	256.60	218.20	257.05	218.10
February-15	273.35	242.65	273.00	242.50
March-15	286.85	245.50	287.00	243.00
April-15	266.40	224.40	266.35	224.05
May-15	244.65	222.20	244.65	222.30
June-15	240.80	214.05	241.05	214.30
July-15	256.50	226.90	257.30	226.75
August-15	236.60	198.00	237.90	197.40
September-15	221.50	196.45	221.50	196.25
October-15	214.70	202.45	214.75	202.70
November-15	213.70	188.80	231.00	188.75
December-15	207.00	187.70	206.30	188.10

## 16.10 Performance in comparison to broad based indices:



## 16.11 Share Transfer Agents:

Sharepro Services (India) Pvt. Ltd.,

13AB Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Near Saki Naka Telephone Exchange,

Andheri Kurla Road, Saki Naka, Andheri (East), Mumbai - 400 072

Tel. No.: (022) 67720300/67720400, Fax No.: (022) 28591568 / 28508927

E-mail - sharepro@shareproservices.com

## 16.12 Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks. The Share Transfer Committee considers the transfer proposals generally on a weekly basis.

## 16.13 Distribution of Shareholding:

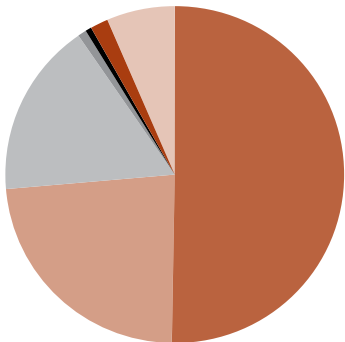
The shareholding distribution of the equity shares as on 31<sup>st</sup> December, 2015 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
Less than 50	92473	2214088	0.14
51 to 100	26986	2383245	0.15
101 to 500	27571	7118270	0.46
501 to 1000	7784	6153725	0.40
1001 to 5000	14223	37585159	2.42
5001 to 10000	2775	20073715	1.30
10001 to 50000	1745	33573617	2.16
50001 to 100000	156	11158135	0.72
100001 to 500000	215	46123972	2.97
500001 & above	173	1385513495	89.28
<b>TOTAL</b>	<b>174101</b>	<b>1551897421</b>	<b>100.00</b>



#### 16.14 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31<sup>st</sup> December, 2015 is given below:-

	Category	No. of Shares	Percentage %	
	Foreign Promoters	780308553	50.28	
	Foreign Investors (Including FIIs)	362552097	23.36	
	Mutual Funds Banks & Institution	259553050	16.72	
	OCB NRIs	12732150	0.82	
	Body Corporates	8958983	0.58	
	GDR Holders	26458484	1.70	
	Others	101334104	6.53	
	<b>TOTAL</b>	<b>1551897421</b>	<b>100.00</b>	

#### 16.15 Dematerialisation of Shares:

About 98.71 % of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31<sup>st</sup> December, 2015.

#### 16.16 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

#### 16.17 Outstanding GDRs or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity:

- The Company had issued Foreign Currency Convertible Bonds (FCCB) in the year 1993 and 2001. Out of the total conversion of these bonds into GDRs, 26458484 GDRs are outstanding as on 31<sup>st</sup> December, 2015 which is listed on the Luxembourg Stock Exchange. The underlying shares representing the outstanding GDRs have already been included in equity share capital. Therefore, there will be no further impact on the equity share capital of the Company.
- The Company has granted stock options from time-to-time in the past. At the same time, the Company had also issued warrants which can be converted into equity shares. However, during the year the last ESOP Scheme has come to closure and as on 31<sup>st</sup> December, 2015 none of the ESOP Schemes are in force. The year-end outstanding position of the rights shares / warrants that are convertible into shares and their likely impact on the equity share capital is as under:-

Sr. No.	Issue Particulars	Conversion rate (₹ per share)	Likely impact on full conversion	
			Share Capital (₹ in Crores)	Share Premium (₹ in Crores)
<b>A.</b>	<b>Employee Stock Options</b>		N.A.	
<b>B.</b>	<b>Rights entitlement kept in abeyance out of the Rights Issue of equity shares and warrants to equity shareholders made in the year 1992</b>			
(i)	139830 Right shares	*6.66	0.03	0.07
(ii)	186690 Warrants	*7.50	0.04	0.10
<b>GRAND TOTAL (A+B)</b>			<b>0.07</b>	<b>0.17</b>

(\*) conversion price has been arrived after appropriate adjustment of split and bonus issues.

- The diluted equity share capital of the Company upon conversion of all the outstanding convertible instruments will become ₹ 310.38 crores.

#### 16.18 Plant Locations:

Integrated Cement Plants

- Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat.
- Darlaghat, District Solan, Himachal Pradesh.

- (iii) Maratha Cement Works, Dist. Chandrapur, Maharashtra.
- (iv) Rabriyawas, Dist. Pali, Rajasthan.
- (v) Bhatapara, Dist. Raipur, Chhattisgarh.

#### **Grinding Stations**

- (i) Roopnagar, Punjab.
- (ii) Bathinda, Punjab.
- (iii) Sankrail, Dist. Howrah, West Bengal.
- (iv) Farakka, Dist. Murshidabad, West Bengal.
- (v) Roorkee, Dist. Haridwar, Uttaranchal.
- (vi) Dadri, Dist. Gautam Budh Nagar, Uttar Pradesh.
- (vii) Nalagarh, Dist. Solan Himachal Pradesh.
- (viii) Magdalla, Dist. Surat, Gujarat.

#### **Bulk Cement Terminals**

- (i) Muldwarka, District Gir Somnath, Gujarat.
- (ii) Panvel, District Raigad, Maharashtra.
- (iii) Cochin, Kerala.
- (iv) Mangalore, Karnataka

#### **16.19 Address for Correspondence:**

- (a) Corporate Office: Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (East), Mumbai-400 059. Phone No: 022 – 40667000/ 6616700.
- (b) Exclusive e-mail id for Investor Grievances: The following e-mail ID has been designated for communicating investors' grievances:-  
[shares@ambujacement.com](mailto:shares@ambujacement.com)

#### **16.20 Registered Office:**

P. O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat - 362 715

#### **16.21 Mandatory requirement of PAN:**

SEBI vide its circular dated 7<sup>th</sup> January, 2010 has made it mandatory to furnish PAN copy in the following cases:

- (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders;
- (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- (iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

#### **16.22 Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account :**

During the year, the Company in compliance with Clause 5A of the Listing Agreement has transferred 24,96,378 shares belonging to 16,427 shareholders who were holding shares in physical form and whose certificates were returned undelivered and currently lying with the company to the demat 'Unclaimed Suspense Account' after complying with the procedure as laid down under the Listing Agreement.

Before transfer of these shares to the demat 'Unclaimed Suspense Account', the Company had sent reminder letters to 16935 shareholders holding 26,55,351 shares and had released 1,58,973 shares belonging to 508 shareholders pursuant to their requests. As at the year end the company is holding 24,96,378 shares belonging to 16,427 shareholders in the demat 'Unclaimed Suspense Account'. The voting rights on these shares will remain frozen till the rightful owner claims the shares.

### **17. Subsidiary Companies**

There is no material Indian subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary Company. The requirements of the Regulation 24 of the Listing Regulations with regard to subsidiary companies have been complied with.

## Auditors' Certificate

To  
The Members of Ambuja Cements Limited

We have examined the compliance of conditions of corporate governance by Ambuja Cements Limited, ('the Company'), for the year ended on December 31, 2015, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E

per Ravi Bansal

Partner

Membership No.:49365

Place of Signature: Mumbai

Date: 10<sup>th</sup> February, 2016

---

## Declaration Regarding Code Of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Ajay Kapur  
Managing Director & CEO

Mumbai, February 10<sup>th</sup>, 2016

---

## M. D. & CEO / CFO Certification

The Board of Directors  
Ambuja Cements Ltd.

We have reviewed the financial statements and the cash flow statement of Ambuja Cements Ltd. for the year ended 31<sup>st</sup> December, 2015 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Suresh Joshi  
Chief Financial Officer  
Mumbai, February 10<sup>th</sup>, 2016

Ajay Kapur  
Managing Director & CEO

# Business Responsibility Report for the year 2015

## In terms of Regulation 34 of the Listing Regulations

Now a days, business enterprises are increasingly seen as critical components of social system and they are considered accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance. This is all the more relevant for listed entities which, considering the fact that they have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive continuous disclosures on a regular basis.

It is from this point of view that Regulation 34 of the Listing Regulations require the listed companies to submit as a part of their Annual report, a Business Responsibility Report describing the initiatives taken by them from an environmental, social and Government perspective, in the format given under the Listing Regulations.

The initiatives taken by the Company are given in the prescribed format as under:-

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L26942GJ1981PLC004717
2. Name of the Company: AMBUJA CEMENTS LIMITED
3. Registered address: P.O. Ambujanagar, Taluka Kodinar, District Gir - Somnath, Gujarat- 362715
4. Website: www.ambujacement.com
5. E-mail id: secretarial@ambujacement.com
6. Financial Year reported: 01.01.2015 to 31.12.2015
7. Sector(s) that the Company is engaged in (industrial activity code-wise): NIC Code : 3242
8. List three key products/services that the Company manufactures/provides (as in balance sheet): The key product that the Company manufactures is PORTLAND POZOLLANA CEMENT. We also produce Ordinary Portland Cement.
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5): NIL
  - ii. Number of National Locations: 82
10. Markets served by the Company –

LOCAL	STATE	NATIONAL	INTERNATIONAL
✓	✓	✓	✓

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital (INR): 310.38 Crores
2. Total Turnover (INR): 9368.30 Crores
3. Total profit after taxes (INR): 807.56 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%):  
 The Company carries on its CSR activities primarily through its arms Ambuja Cement Foundation and Ambuja Vidya Niketan Trust.  
 The Company has spent ₹ 40.98 Crores during the Financial Year 2015 on CSR activities. This amounts to 5.07 % of Profit After Taxes (PAT).
5. List of activities on which expenditure in 4 above has been incurred:-  
 All CSR activities conducted by the Company are in alignment with those identified under Schedule VII of Companies Act 2013 and are listed as follows:

Sr. No	CSR Project or activity identified under Schedule VII of Companies Act 2013	Sector in which the Project is covered	Expenditure incurred during the period (Amount ₹ In Crore)
1	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation	14.14

Sr. No	CSR Project or activity identified under Schedule VII of Companies Act 2013	Sector in which the Project is covered	Expenditure incurred during the period (Amount ₹ In Crore)
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Education, Ambuja Manovikas Kendra, Ambuja Vidya Niketan, Skill And Entrepreneurship Development Institute (SEDI), Non Formal Education, Village Knowledge Centre	7.73
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups;	Women, Female Feticide, SHG, Federation	1.39
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed	7.77
5	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Sports	0.01
6	Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	NA	0.37
7	Rural development projects.	Rural Infrastructure Project	8.01
		<b>Total</b>	<b>39.42</b>
	Overheads	Overheads	1.56
			<b>40.98</b>

### SECTION C: OTHER DETAILS

#### 1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has 5 Subsidiary Companies.

#### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Out of 5 subsidiary companies, four companies do not carry any business operations. The business activities of the remaining subsidiary company is not material in relation to the business activities of the Company.

#### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No. The other entities with whom the Company does business with viz suppliers, distributors etc. don't participate in the BR initiatives of the Company.

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

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

- DIN Number: 03096416
- Name: Mr. Ajay Kapur
- Designation: Managing Director & Chief Executive Officer

## b) Details of BR head

Sr. No.	PARTICULARS	DETAILS
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Mr. Rajiv Gandhi
3.	Designation	Company Secretary
4.	Telephone Number	022-40667059
5.	E-mail id	rajiv.gandhi@ambujacement.com

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	–	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	–	Y	–
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	–	Y	Y	–	Y	–
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	–	Y	–	Y	–
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	–	Y	–
6	Indicate the link for the policy to be viewed online? www.ambujacement.com	<a href="https://www.ambujacement.com/wp-content/themes/ambuja/downloads/corporate-governance/code-of-conduct-business-ethics.pdf">https://www.ambujacement.com/wp-content/themes/ambuja/downloads/corporate-governance/code-of-conduct-business-ethics.pdf</a>	<a href="https://www.ambujacement.com/sustainable-development/sustainability/">https://www.ambujacement.com/sustainable-development/sustainability/</a>	–	<a href="https://www.ambujacement.com/sustainable-development/ohs/">https://www.ambujacement.com/sustainable-development/ohs/</a>	–	<a href="https://www.ambujacement.com/sustainable-development/sustainability/">https://www.ambujacement.com/sustainable-development/sustainability/</a>	–	<a href="https://www.ambujacement.com/sustainable-development/sustainability/">https://www.ambujacement.com/sustainable-development/sustainability/</a>	<a href="https://www.ambujacement.com/wp-content/themes/ambuja/downloads/corporate-governance/code-of-conduct-business-ethics.pdf">https://www.ambujacement.com/wp-content/themes/ambuja/downloads/corporate-governance/code-of-conduct-business-ethics.pdf</a>
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	N	Y	N	Y	N
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	–	Y	–	Y	–	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	–	Y	–	Y	–	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	–	Y	N	Y	–	Y	–

**2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	—	—	—	—	—	—	—	—	—
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	—	—	—	—	—	—	✓	—	—
3	The company does not have financial or manpower resources available for the task	—	—	—	—	—	—	—	—	—
4	It is planned to be done within next 6 months	—	—	—	—	—	—	—	—	—
5	It is planned to be done within the next 1 year	—	—	—	—	—	—	—	—	—
6	Any other reason (please specify)  * Need for a written policy was not felt. Suitable decision for a written policy will be taken at appropriate time.	—		*	—	*		*		

**3. Governance related to BR**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The M.D. & CEO assesses the BR performance of the Company on a Quarterly basis which is then appraised to the Board at its quarterly meeting as a part of larger presentation on sustainability.

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

The Company publishes its Sustainability Report on an Annual basis which is GRI G4 compliant A+ i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, [www.ambujacement.com](http://www.ambujacement.com)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**PRINCIPLE 1**

**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

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

The policy relating to ethics, bribery and corruption covers the Directors and Employees of the Company. The Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company.

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

The Company received 40 complaints during the Financial Year. Out of these 40 complaints, 39 complaints were resolved & the balance one complaint is being resolved.

**PRINCIPLE 2**

**Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle.**

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

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing process of its product (Portland Cement), in a manner taking care of its obligations.

The Company has deployed best in class technology and processes to manufacture its product 'Portland Cement' which use optimal resources. e.g. the manufacturing process involves use of 6 stage pre-heaters, vertical roller pre-grinder, and advanced technology clinker coolers which are most energy efficient and technologically advanced as on date.

In 2015, Clinker Factor was reduced to 66.5% with fly ash utilization of 30.27%, thus saving natural resources like limestone.

We also co-process plastic, industrial & hazardous waste from different industries as alternative fuel. The Company also co-processes biomass in its kilns and thermal power plants.

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

**i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company continuously strives its best to reduce the power/LDO Coal and other fuels consumed per unit of cement produced. The details of reduction are as under:

Consumption per unit of Production	Industry Norms	Current Year (Jan to Dec 2015)	Previous Year (Jan to Dec 2014)
Electricity (KWH/T of Cement)	100	79.2	80.4
LDO (Ltr/T of Clinker)	N.A.	0.20	0.20
Coal and other Fuels (K.Cal/Kg of Clinker)	800	747	741

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

The details of the reduction during usage by consumers (energy, water) achieved since the previous year are not available with the Company.

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

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

Ambuja Cements Limited (ACL) seeks to engage in long-term relationships with the suppliers committed to their social responsibility, adhere to international standards such as SA8000 (Social Accountability) and ISO 14001 (Environment Management System) and have systems in place to comply with the local and national laws and regulations. All inputs, except where the Company does not have any control, are sourced sustainably. The Company has a procedure in place for sustainable sourcing of energy, water including transportation. Almost all the inputs are sourced on a sustainable basis. The Company has long term Leases/ Agreements for sourcing limestone and gypsum. The Company is increasing the usage of Alternate Fuel and Raw Materials (AFR) year on year to decrease dependency on traditional fuel i.e. coal.

The Company has established its own Bulk Cement Terminals & owns a fleet of specialised Bulk Cement Carriers (Ships) for transportation of cement by sea route as a sustainable source of transportation of cement.

During the current year, Company has engaged PICS, leading Global Consultants, who will help us in qualifying High Risk- High Spend Suppliers and Contractors by screening them on the various counts related to Sustainable Procurement such as OH & S, Labour, Environment and Bribery & Corruption.

We also have a system in place to ensure that transporters follow all the stipulated rules and regulations.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company encourages procurement of goods and services from Local and small producers surrounding its plant locations. Our Contractors, who are engaged in Operation and Maintenance of Plants, mostly employ workmen from the nearby villages. The Company also trains the vendors to meet the OH & S requirements across all its plant locations.

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

We have fly ash and bottom ash generated as waste from our captive power plants which is used in our cement production. The entire fly ash generated [100%] is utilised to produce Portland Pozzolana Cement. (PPC).

Waste water generated from our plant and colony is recycled and reused in dust suppression, gardening, horticulture, etc.

## PRINCIPLE 3

**Businesses should promote the wellbeing of all employees.**

**1. Please indicate the Total number of employees:**

- Management Staff : 3998
- Blue Collar Employees : 1624
- Total : 5622

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis :**

- Total Contractual employees :
  - i. 126 Shipping Sailing Staff
  - ii 5638 – Third Party



**3. Please indicate the Number of permanent women employees :**

- Permanent : 126
- On Probation : 4
- **Total** 130

**4. Please indicate the Number of permanent employees with disabilities :**

- Disabilities: 25

**5. Do you have an employee association that is recognised by management ?**

Yes, we have recognised trade unions affiliated to either of INTUC / AITUC / BMS depending on their presence at respective locations representing blue collar employees.

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

25% of our permanent employees are members of this recognized employee Association.

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

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child Labour/Forced Labour/Involuntary Labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

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

Permanent Employees : 100% Safety Training & Skill Up-gradation (by way of working-OJT)

- Permanent Women Employees : 100% Safety Training & Skill Up-gradation (by way of working-OJT)
- Casual/Temporary/Contractual Employees : 100% Safety training. However, details not available regarding other training as it is done by their respective employers.
- Employees with Disabilities : 100% safety training

**PRINCIPLE 4**

**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

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

Yes, the company has mapped its internal as well as external stakeholders.

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

The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/contractual workers and truck drivers.

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

In April 2015, Ambuja Cements Limited (ACL) finalized the materiality matrix and thus prioritized stakeholders. A comprehensive stakeholder engagement program operates to facilitate several initiatives for engagement of different stakeholders. Employee engagement surveys are conducted to understand and act upon the pulse of the employees. 'We Care' developed for developing a serious safety culture in Ambuja. Continuous trainings on safety are held with employees, truckers, contract workers and the community to ensure 'Zero Harm' level. Site Specific Impact Assessment (SSIA) are conducted cyclically as formal process to address the concerns and the felt needs of stakeholders at the manufacturing sites. The communities and its people being identified as important stakeholders, Ambuja Cement Foundation (ACF) stands responsible for being the link between the company and the community. Over the years, ACF has evolved a strategic sustainable approach by which it designs its development programmes through Participatory Rural Appraisals. ACF's communities and its stakeholders participate in identifying issues and evolving solutions in a systematic and continuous manner. Community Advisory Panels (CAP) have been created with membership from both Ambuja and the community, to establish a two-way relationship between the plant and its neighbouring community. ACF's work is annually reviewed by its stakeholders through the Social Engagement Scorecard (SES) exercise.

## PRINCIPLE 5

Businesses should respect and promote human rights.

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

The Company does not have any policy on Human Rights for the time being. However, any issues are covered by the national and the local laws. The company also refers to the guidelines provided by the group company of LafargeHolcim and uses it as a tool for assessment of Human Rights impacts at its plants.

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

No stakeholder complaints were received during the last Financial year.

## PRINCIPLE 6

Business should respect, protect and make efforts to restore the environment.

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

The Corporate Environment Policy is applicable to only Ambuja Cements Limited.

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

Yes. The Company has a documented Sustainability Policy which is available on our website. The policy has been reviewed in 2014. The policy enshrines commitment for climate change mitigation. Apart from this, we also have an updated Climate Change Policy. The Company measures & reports its carbon emissions as per the protocol of Cement Sustainability Initiative [CSI] of the World Business Council on Sustainable Development. The Company proactively discloses its carbon emissions annually in the Carbon Disclosure Project [CDP]. Ambuja continued its good performance in CDP Climate Change Leadership Index 2015 and scored 97 out of 100. Further, we also keep our stakeholders informed on our carbon performance through our annual GRI based Sustainability Report. The company's website also contains information on our Sustainability endeavours [see: [www.ambujacement.com](http://www.ambujacement.com)].

The Company has strategies in place to address global warming and to ensure a low carbon growth path for our operations. [see <http://www.ambujacement.com/sustainable-development/sustainability/>]

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

Yes. The Company regularly assess the environmental risks emanating from our operations and as a part of the sustainability strategy implements initiatives to address these risks. Additionally, all our operations are certified to international Environment Management System (ISO 14001:2004). We have a structured process to carry out risk assessment dealing with business and environment all across the organisation on an annual basis. The Company launched a comprehensive stakeholder engagement Materiality Review in 2015 to facilitate a good understanding of the company's obligations to its various stakeholders, internal as well as external, consistent with the business's commitment to corporate responsibility and to find out the material issues, risks and opportunities.

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

Yes, the company participates in the Global Programme of Clean Development Mechanism (CDM). Our first project of the use of biomass for power generation at Ropar plant earned 17,727 CERs (Certified Emission Reduction) which could earn us ₹ 1.60 Crores in the year 2011. CDM project on Waste Heat Recovery [WHR] based power generation at our unit at Rabriyawas has been registered with UNFCCC in 2015 after successful Validation by DOE.

There is no requirement for filing environment compliance report as per Host Country Approval.

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

Yes. The Company has strong focus on clean technology, energy efficiency and renewable energy. Our renewable energy portfolio includes 7.5 MW Wind based energy generation at Kutch, Gujarat commissioned in 2011 & 330 KV Solar Power at Bhatapara, Chhattisgarh installed in 2012. Additionally, we also co-process industrial wastes from other industries in our kilns as alternative fuel. This helps us in reducing the use of coal, necessary for conservation as well as greenhouse gas mitigation. During 2015, we co-processed about 2.6 Lakh tons of alternative fuels substituting 5.71 % of total thermal energy by use of alternative fuels. The company has completed installation of a 6.5 MW waste heat recovery based power generation system at our plant in Rajasthan this year and this project has also been registered as Clean Development Mechanism (CDM) project with UNFCCC in February 2015 to accrue Certified Emissions Reductions (CERs) for next 10 years. Besides this, couple of our captive power plants also utilize biomass. Our Ropar unit produced over 40% of its energy from biomass in the year 2015. Renewable energy contribution in our total energy generation was about 4.6 %.

The company monitors its specific thermal & electrical energy consumption and employs measures for improving energy efficiency. Three of our Grinding units and two of the integrated units have implemented energy management system as per ISO 50001:2011 & attained certification to the international standard.

Additionally, as a part of the Low Carbon Technology Roadmap for the Cement Industry developed by Cement Sustainability Initiative (CSI) of WBCSD, we are implementing Phase II of the project at our Ambuja Nagar unit. This is focused on energy efficiency opportunities in the operations.

As a result of our water harvesting and conservation efforts, we have been certified to be 4.03 times Water Positive by Det Norske Veritas (DNV) in 2014. Ambuja is the only cement company in India to receive such a certification.

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

Yes. The Company employs various measures to ensure complete compliance to existing emission/waste standards applicable. The Company is the first cement manufacturer to have proactively installed Continuous Emission Monitoring Systems (CEMS) at all the nine kiln stacks for online monitoring of all vital pollution parameters. In addition, Continuous Ambient Air Quality Monitoring Systems have been installed at all the plants.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are 6 (six) cases that are pending in different Courts, involving environment related issues as on end of the Financial Year.

## **PRINCIPLE 7**

**Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.**

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

Yes. The Company is a member of the following trade / chamber associations.

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce and Investments (BCCI)
- Cement Sustainability Initiative (CSI), a body of World Business Council for Sustainable Development (WBCSD).
- Global Compact Network India (GCNI).

Principal objectives of the above associations are to provide information, consultative and representative services to the organisation. It operates through National / Regional / State and Zonal Councils.

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

Yes we, continue to work closely with business chambers such as CII and FICCI for advocating good sustainability practices in the Industry. Ambuja has been closely associated with CII for developing and implementing the new CSR law. Ambuja has also been an active member at World Business Council for Sustainable Development (WBCSD) and its Cement Sustainability Initiative (CSI) to advance sustainability benchmarks in the industry. We have also participated with WBCSD in the development of their India Water Tool.

Ambuja Cement bagged CII- ITC Sustainability Award 2015 for 'Corporate Excellence-Commendation for Significant Achievement in category 'A'. In addition, for Domain Excellence, our Bhatapara unit was conferred "Excellence in Corporate Social Responsibility" and "Commendation for Significant Achievement in Environment Management" at the CII Sustainability Awards 2015.

The Sustainability Award recognises India's most sustainable companies for their outstanding achievements and commitment to shaping a future that is more sustainable and inclusive.

We started work on detailed Life Cycle Analysis (LCA) and Traceability as part of recommendations of Pro-Sustain project. Ambuja Cement became the first Indian company in 2014 when it was awarded the prestigious Certification on Sustainable Product labeling, "PRO-SUSTAIN" for PPC production from its Darlaghat plant by the leading global certification body, DNV Business Assurance.

The "ProSustain" certification implies that the Company promotes the adoption of responsible and cost effective measures for incorporating sustainability into product design, development, production and supply chain management.

## PRINCIPLE 8

### Businesses should support inclusive growth and equitable development

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

Yes, the Company has very focused programmes and initiatives. The company has always considered the Community as an extremely important Stakeholder group and since its inception engaged for their development. ACF was established in 1993 as the CSR arm of the company. ACF conducts needs assessment before undertaking projects in our neighbouring communities. Our CSR activities are classified under our major thrust areas of:

- Natural Resource Management: Land and Water Resource Management
- Livelihood Development: Agro based Livelihoods and Skill and Entrepreneurship Development
- Human Development: Community Health and Sanitation, Education and Women Empowerment
- Rural Infrastructure Development

Our thrust areas are well aligned to the schedule VII of Section 135 of the Companies Act, 2013 and compliment the nation's need for inclusive growth. The company through its Site Specific Impact Assessment (SSIA), observe and gauges concerns of employees, contract workers, truckers etc. and works out plan of action to ensure equitable development and inclusive growth.

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

Ambuja Cements has a very structured and evolved Organization called Ambuja Cement Foundation (ACF), established in 1993 to undertake development work with the neighbouring Communities and other vulnerable stakeholders. All details of work are disclosed through Foundation's annual reports & website ([www.ambujacementfoundation.org](http://www.ambujacementfoundation.org)).

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

The ACF has also developed detailed Management Information System (MIS) to monitor inputs and outputs. The work is regularly subject to evaluation and impact assessment. As projects evolve, evaluation studies, upon mid-term evaluation are undertaken to monitor implementation and make strategic and course corrections as required. On maturity or completion of projects, impact assessments are done by the reputed external parties. Through these assessments we have seen very positive outcomes and benefits for the people of our area. These reports are then used as base documents for project replication and further implementation in other locations.

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

Ambuja Cements Ltd (ACL) has spent Rupees 40.98 Crores on CSR in 2015. The Company has been working for community development around the Company's manufacturing locations through its community development arm. ACF has been able to garner support from organizations other than ACL, thereby expanding its reach beyond manufacturing sites if required. ACF has reached out to 22 locations and 12 states, on various issues including water management, agro-based livelihoods, skill development, health, education and infrastructure development. ACF's work in community development is in line with its mission statement **"Energise, involve and enable communities to realize their potential"**. Further, the company promotes education in the five integrated plants through Ambuja Vidya Niketan Trust (AVNT). All five AVNTs are affiliated with CBSE and provide quality education to children of Ambuja employees as well as from the community. Stakeholder engagement is key to all ACF interventions with programmes designed, developed and implemented with direct participation of host communities. A needs assessment is carried through techniques likes participatory rural appraisals involving community members. ACF's role is to initiate programmes for technical and managerial support, complemented by community's knowledge base. ACF projects are in complete sync with requirement of the region involving people at every stage of project development. The programmes are implemented in consensus with the people and to reinforce people's institutions such as local panchayats, SHGs, Village Development Committees and such. These strengthened people's institutions make the Foundation's impacts more sustainable.

As a result of this robust and impactful approach, substantial funding is received from the government and other funders. ACF implements development programmes for these organisations, wherever geographies permit. Programmes at ACF have the community support, and the required resources in addition to ACL's funding, ensuring wide acceptability and scalable programmes.

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

Our community development initiatives are undertaken directly through our own Foundation. The philosophy and approach has been to involve the local people throughout i.e. during needs assessment and prioritisation, project planning, implementation and for monitoring. A huge focus has been laid in building capacities within the communities and creating local level committees empowered to manage and maintain projects undertaken. This approach has

successfully established people's ownership, helped establish people's institutions such as Women's Federations, Farmer Producer Companies, Water User Associations, Village Development Committees, strengthening Village Health Sanitation Committees, School Management Committees and sustain projects.

## PRINCIPLE 9

**Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

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

We have a formal system of receiving customer complaints through a toll-free number. Through this we received 59 Nos. of queries /complaints during the year 2015 and no customer complaints are pending as on end of the year.

As regards consumer cases, 20 consumer cases were pending before different Forums/Commissions/Courts at the beginning of the year. During the year 2 consumer cases were filed and 5 cases were disposed off leaving a balance of 17 pending cases as on end of the year.

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

The product quality is governed by the Bureau of Indian Standards (BIS). As per the BIS mandate, the product information is displayed on the bag. No other label is displayed over and above than the mandated. The test report of cement supplied is available & produced on demand from customers.

We plan to go for environmental product declaration and sustainable product labelling like Pro-Sustain for which our Darlaghat plant is already certified.

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

The details of the complaints filed are as under:-

Sr. No.	Particulars	Remarks / Status
1.	The Competition Commission of India issued an Order dated 20 <sup>th</sup> June, 2012, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002 and imposed a penalty of ₹ 1164 Crores on the Company.	Order of Competition Commission of India (CCI) for violating the principles of natural justice during trial has been set aside by Competition Appellate Tribunal (COMPAT) vide Order dated 11 <sup>th</sup> December, 2015. The matter has been remitted back to CCI for fresh adjudication within 3 months. The amount of penalty deposited by Companies has been ordered to be refunded and has since been received back by the Company.  Pursuant to COMPAT's Order, CCI has started fresh hearing and the matter is pending.
2	State of Haryana has filed a complaint to order investigation in the matter of the alleged cartelisation in the tender for supply of cement by some cement companies including Ambuja Cements Ltd.	Director General (I&R) on completion of the investigation has filed its report with Competition Commission of India and has called for the Reply/objections to the Report to be furnished by 15 <sup>th</sup> February, 2016. Case has been fixed for oral submissions on 24 <sup>th</sup> February, 2016 and the matter is pending.

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

Yes. The company carried out periodic customer satisfaction and consumer perceptions surveys to fine tune its products and other marketing offerings. These surveys are carried out as per the global standards like Nielsen's Brand Equity Index (BEI), Net Promoter Score (NPS) & other research agencies on periodical basis. The feedback of various programs for customer / Influencer education is also taken. Last survey was conducted towards the end 2014.

The Company also carried out Net Promoter Score (NPS) survey during the year to elicit customer perception to fine tune Company's products and marketing offerings.

# Independent Auditor's Report

To the Members of,  
Ambuja Cements Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Ambuja Cements Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2015, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at December 31, 2015, its profit, and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on December 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28 to 30 to the financial statements;
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number : 324982E

per Ravi Bansal  
Partner  
Membership Number : 49365  
Place of Signature : Mumbai  
Date : 10 February 2016



**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

Re : Ambuja Cements Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme for physical verification on a rotational basis, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of cement and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows :

(₹ in crores)

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending				Total
			Commis-sionarate	Appellate authorities and Tribunals	High Courts	Supreme Court	
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Demand of Sales Tax / Additional Purchase Tax	1988-2014	22.95	10.38	96.80	107.75	237.88
Customs Act, 1962	Demand of Customs duty, Interest and Penalty	2000-2013	1.59	40.10	-	-	41.69
Central Excise Act, 1944	Demand of excise duty, Denial of Cenvat Credit, Interest and Penalty	1993-2010	5.84	20.32	0.75	2.16	29.07
Finance Act, 1994	Denial of Service Tax Credit and Penalty	2005-2011	1.44	25.54	0.01	-	26.99
Chhattisgarh Upkar (Sanshodhan Adhiniyam), 2004	Cess on Electricity Generation	2006-2015	-	-	-	23.03	23.03
Rajasthan Finance Act, 2008	Environment Cess	2008-2015	-	-	13.77	-	13.77
The Punjab Prohibition of Cow Slaughter Act, 1955	Cow Cess	2014-2015	-	-	2.22	-	2.22
Income Tax Act, 1961	Demand of interest on TDS	2011-2012	1.55	-	-	-	1.55
<b>Total</b>			<b>33.37</b>	<b>96.34</b>	<b>113.55</b>	<b>132.94</b>	<b>376.20</b>

Amounts given above are net of amounts deposited

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution. The Company has no outstanding dues in respect of bank or debenture holder.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) To the best of our knowledge, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E

per Ravi Bansal

Partner

Membership Number : 49365

Place of Signature : Mumbai

Date : 10 February 2016



# Balance Sheet

As at 31st December, 2015

	Note	₹ in crores	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital.....	3	310.38		309.95
Reserves and surplus.....	4	9,996.49		9,793.38
			10,306.87	10,103.33
<b>Non-current liabilities</b>				
Long-term borrowings.....	5	22.68		29.15
Deferred tax liabilities (net) .....	6	564.90		589.04
Other long-term liabilities.....	7	5.99		9.22
Long-term provisions .....	8	35.40		32.57
			628.97	659.98
<b>Current liabilities</b>				
Trade payables				
Micro enterprises and small enterprises (Refer note 40) .....		0.52		1.03
Others .....		679.30		617.46
Other current liabilities.....	9	1,461.93		1,342.83
Short-term provisions .....	8	1,084.34		1,176.22
			3,226.09	3,137.54
TOTAL .....			14,161.93	13,900.85
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets				
Tangible assets.....	10	6,091.72		6,226.78
Intangible assets .....	10	0.31		0.33
Capital work-in-progress (Refer note 48).....		414.12		690.17
			6,506.15	6,917.28
Non-current investments .....	11	106.90		105.73
Long-term loans and advances.....	12	720.71		593.32
Other non-current assets .....	13.2	279.57		289.31
			1,107.18	988.36
<b>Current assets</b>				
Current investments .....	14	2,119.23		2,067.00
Inventories.....	15	895.45		888.39
Trade receivables.....	13.1	286.36		227.98
Cash and bank balances.....	16	2,848.39		2,458.12
Short-term loans and advances.....	12	336.26		308.32
Other current assets .....	13.2	62.91		45.40
			6,548.60	5,995.21
TOTAL .....			14,161.93	13,900.85
Significant accounting policies .....	2			

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E

per Ravi Bansal  
Partner  
Membership No. 49365

Suresh Joshi  
Chief Financial Officer

Rajiv Gandhi  
Company Secretary

N.S. Sekhsaria  
Chairman

Bernard Terver  
Vice Chairman

Omkar Goswami  
Director

Shailesh Haribhakti  
Director

B.L. Taparia  
Director

Ajay Kapur  
Managing Director &  
Chief Executive Officer

For and on behalf of the Board

Rajendra P. Chitale  
Chairman - Audit Committee

Eric Olsen  
Director

Nasser Munjee  
Director

Haigreave Khaitan  
Director

Christof Hassig  
Director

Mumbai, 10th February, 2016

# Statement of Profit and Loss

For the year ended 31st December, 2015

		2015	2014
	Note	₹ in crores	₹ in crores
<b>Revenue</b>			
Sale of products (gross).....		10,670.86	11,170.14
Less : Excise duty .....		1,302.56	1,259.44
Sale of products (net).....		9,368.30	9,910.70
Other operating revenues .....	17	93.10	67.42
Revenue from operations (net).....		9,461.40	9,978.12
Other income .....	18	358.19	428.98
Total revenue .....		9,819.59	10,407.10
<b>Expenses</b>			
Cost of raw materials consumed .....	19	797.11	794.29
Purchase of Stock-in-Trade .....		4.20	40.59
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade .....	20	25.39	15.91
Employee benefits expense.....	21	589.52	581.58
Power and fuel .....		2,052.94	2,265.22
Freight and forwarding expenses .....	22	2,509.68	2,438.89
Finance costs.....	23	91.79	64.48
Depreciation and amortisation expense.....	24	625.66	509.53
Other expenses .....	25	1,955.18	1,921.24
		8,651.47	8,631.73
Self consumption of cement (net of excise duty ₹ 0.48 crore; previous year ₹ 0.99 crore).....		(4.09)	(8.04)
Total expenses.....		8,647.38	8,623.69
Profit before tax .....		1,172.21	1,783.41
Tax expense :			
For the current year			
Current tax .....		334.00	478.00
Deferred tax .....		(24.93)	(15.27)
		309.07	462.73
Relating to earlier years			
Current tax (Refer note 45 (b)) .....		(0.11)	(215.67)
Deferred tax .....		55.69	39.99
		55.58	(175.68)
		364.65	287.05
Profit for the year .....		807.56	1,496.36
		2015	2014
		₹	₹
Earnings per equity share of ₹ each.....	26		
Basic .....		5.21	9.67
Diluted.....		5.21	9.66
Significant accounting policies .....	2		
The accompanying notes are integral part of the financial statements.			

As per our attached report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E  
  
per Ravi Bansal  
Partner  
Membership No. 49365

Suresh Joshi  
Chief Financial Officer  
  
Rajiv Gandhi  
Company Secretary

N.S. Sekhsaria  
Chairman  
  
Bernard Terver  
Vice Chairman  
  
Omkar Goswami  
Director  
  
Shailesh Haribhakti  
Director  
  
B.L. Taparia  
Director  
  
Ajay Kapur  
Managing Director &  
Chief Executive Officer

For and on behalf of the Board

Rajendra P. Chitale  
Chairman - Audit Committee  
  
Eric Olsen  
Director  
  
Nasser Munjee  
Director  
  
Haigreve Khaitan  
Director  
  
Christof Hassig  
Director

Mumbai, 10th February, 2016

## Cash Flow Statement

For the year ended 31st December, 2015

	2015	2014
	₹ in crores	₹ in crores
<b>Cash flows from operating activities</b>		
Profit before tax .....	1,172.21	1,783.41
Adjustment for :		
Depreciation and amortisation expense .....	625.66	509.53
Loss on assets sold, discarded and written off (net) .....	25.85	5.24
Dividend from mutual fund .....	-	(59.58)
Profit on sale of current investments .....	(148.20)	(92.45)
Finance costs .....	91.79	64.48
Interest income .....	(198.95)	(231.21)
Interest on income tax written back (Refer note 45 (a)) .....	-	(35.79)
Provision for slow and non moving spares .....	5.23	7.16
Discounting income on pre-payment of sales tax loan .....	(6.90)	(5.93)
Unrealised exchange (gain) / loss, net .....	0.24	0.29
Provisions no longer required written back .....	(19.28)	(8.17)
Inventories written off .....	6.56	3.98
Bad debts, sundry debit balances and claims written off .....	0.76	0.68
Provision for doubtful debts and advances (net) .....	2.35	0.13
Other non cash items .....	14.89	7.65
	<b>400.00</b>	166.01
<b>Operating profit before working capital changes .....</b>	<b>1,572.21</b>	1,949.42
Adjustment for :		
Trade receivables, loans & advances and other assets .....	(91.82)	(158.55)
Inventories .....	(18.83)	34.40
Trade payables, other liabilities and provisions .....	133.44	138.93
	<b>22.79</b>	14.78
Cash generated from operations .....	1,595.00	1,964.20
Direct taxes paid (net of refunds ₹ 519.81 crores; previous year ₹ 279.84 crores) .....	(42.19)	(288.93)
<b>Net cash flow from operating activities (A) .....</b>	<b>1,552.81</b>	1,675.27
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital work in progress and capital advances .....	(621.38)	(823.41)
Proceeds from sale of fixed assets .....	4.52	3.24
Investment in subsidiaries .....	-	(1.22)
Investment in joint venture .....	(2.50)	-
Inter corporate deposits and loans given to subsidiaries and joint ventures .....	(0.80)	(8.17)
Payment received against loans given to subsidiaries .....	-	0.94
Proceeds from sale / maturity of current investments (net) .....	148.20	92.45
Unclaimed sale proceeds of the odd lot shares of erstwhile Ambuja Cement Eastern Limited (ACEL) and Ambuja Cements Rajasthan Limited (ACRL) .....	(0.01)	(0.06)
Investments in bank deposits (having original maturity of more than three months) .....	(5.63)	(10.46)
Redemption / maturity of bank deposits (having original maturity of more than three months) .....	131.11	0.39
Dividend received .....	-	59.58
Interest received .....	202.27	193.05
Interest received on Income tax .....	61.30	33.58
<b>Net cash flow used in investing activities (B) .....</b>	<b>(82.92)</b>	(460.09)
Carried forward .....	1,489.29	1,215.18

## Cash flow statement (Contd.)

		2015	2014
	₹ in crores	₹ in crores	₹ in crores
Brought forward .....		1,489.29	1,215.18
<b>Cash flows from financing activities</b>			
Proceeds from issuance of equity share capital (including securities premium) .....	25.60		42.55
Proceeds from long-term borrowings .....	3.59		-
Repayment of long-term borrowings .....	-		(11.33)
Discounting income on pre-payment of sales tax loan .....	6.90		5.93
Interest paid .....	(38.93)		(31.83)
Dividend paid on equity shares .....	(744.35)		(617.30)
Tax on equity dividend paid .....	(149.70)		(105.16)
<b>Net cash flow used in financing activities (C) .....</b>		<b>(896.89)</b>	<b>(717.14)</b>
<b>Net increase in cash and cash equivalents (A + B + C) .....</b>		<b>573.00</b>	<b>498.04</b>
Cash and cash equivalents at the end of the year .....		5,031.71	4,458.71
Cash and cash equivalents at the beginning of the year .....		4,458.71	3,960.67
<b>Net increase in cash and cash equivalents .....</b>		<b>573.00</b>	<b>498.04</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand .....		0.22	0.25
With banks			
In current account .....		155.01	135.07
In deposit account .....		2,633.00	2,132.00
Fixed deposit held as security .....		35.91	166.41
Earmarked for specific purposes (Refer note 2 below) .....		24.25	24.39
Cash and bank balance as per note 16 .....		2,848.39	2,458.12
Less : Fixed deposits not considered as cash and cash equivalents .....		(35.91)	(166.41)
Add : Fixed Deposits with Housing Development Finance Corporation Limited .....		100.00	100.00
Add : Investment in mutual funds .....		2,119.23	2,067.00
<b>Cash and cash equivalents at the year end .....</b>		<b>5,031.71</b>	<b>4,458.71</b>

### Notes :

- 1) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2) These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACCL and ACRL.

Significant accounting policies - Note 2

The accompanying notes are integral part of the financial statements.

As per our attached report of even date	For and on behalf of the Board		
For S R B C & CO LLP	Suresh Joshi	N.S. Sekhsaria	Rajendra P. Chitale
Chartered Accountants	Chief Financial Officer	Chairman	Chairman - Audit Committee
ICAI Firm Registration No. 324982E	Rajiv Gandhi	Bernard Terver	Eric Olsen
per Ravi Bansal	Company Secretary	Vice Chairman	Director
Partner		Omkar Goswami	Nasser Munjee
Membership No. 49365		Director	Director
		Shailesh Haribhakti	Haigreve Khaitan
		Director	Director
		B.L. Taparia	Christof Hassig
		Director	Director
		Ajay Kapur	
		Managing Director &	
		Chief Executive Officer	

Mumbai, 10th February, 2016

# Notes to Financial Statements

## 1. Basis of Preparation of Financial Statements :

- i. The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.
- ii. Financial statements are based on historical cost and are prepared on accrual basis.
- iii. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except in case of depreciation (Refer note 51).
- iv. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

## 2. Significant Accounting Policies :

### a. Fixed Assets :

- i. Fixed Assets are stated at their original cost of acquisition / installation (net of Modvat / Cenvat credit availed), net of accumulated depreciation, amortisation and impairment losses, except freehold non mining land which is carried at cost less impairment losses.
- ii. Capital work in progress is stated at the amount expended up to the date of Balance Sheet.
- iii. Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost net of Modvat / Cenvat.
- iv. Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets, and are included under "capital work-in-progress". These expenses are apportioned to fixed assets on commencement of commercial production.

### b. Depreciation and Amortisation :

#### I. Tangible Assets :

- i. Premium on leasehold land is amortised over the period of lease.
- ii. Depreciation is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013, for Captive Power Plant related assets (consisting of Buildings and Plant & Machinery) based on "Written Down Value Method" and for other assets based on "Straight Line Method".  
Continuous process plants are identified based on technical assessment and depreciated at the specified rate as per Schedule II to the Companies Act, 2013.  
Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.  
Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.
- iii. Machinery spares, which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to the statement of profit and loss, on issue for consumption.
- iv. Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.
- v. Fixed assets, constructed by the Company, but ownership of which vests with the Government / Local Authorities :
  - a) Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003, as applicable.
  - b) Expenditure on Marine structures is depreciated over the period of the agreement.
  - c) Expenditure on other fixed assets is depreciated at the rate of depreciation specified in Schedule II to the Companies Act, 2013.

#### II. Intangible Assets :

- i. Expenditure to acquire Water drawing rights from Government / Local Authorities / other parties is amortised on straight line method over the period of rights to use the facilities ranging from ten to thirty years.
- ii. Expenditure on Computer software is amortised on straight line method over the period of expected benefit not exceeding five years.

### c. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

### d. Investments :

#### i. Recognition and Measurement

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

## Notes to Financial Statements (Contd.)

### ii. Presentation and Disclosure

Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

### e. Inventories :

Inventories are valued as follows :

#### i. Coal, fuel, packing materials, raw materials, stores and spares :

Lower of cost less provision for slow and non-moving inventory, if any, and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

#### ii. Work-in-progress, finished goods, stock in trade and trial run inventories :

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### f. Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

### g. Foreign Currency Conversion :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

### h. Revenue recognition :

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

i. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of date of Bill of Lading. Sales are disclosed net of sales tax / value added tax, discounts and sales returns, as applicable. Sales exclude self-consumption of cement.

ii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when right to receive is established by the Balance Sheet date.

### i. Mines Reclamation Expenses :

The Company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

### j. Employee Benefits :

#### i. Defined Contribution Plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year in which the employee renders the related service.

#### ii. Defined Benefit Plan

Retirement benefits in the form of gratuity, post-retirement medical benefit and death & disability benefit are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are recognised in the statement of profit and loss.

Employee Benefit, in the form of contribution to Provident Fund managed by a Trust set up by the Company, is charged to statement of profit and loss for the year in which the employee renders the related service. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.

#### iii. Other long-term benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

### k. Employee Stock Compensation cost :

The Company measures compensation cost relating to employee stock option using the fair value method. Discount on Equity Shares as compensation expenses under the Employee Stock Option Scheme, is amortised in accordance with Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India.

## Notes to Financial Statements (Contd.)

### **l. Borrowing Costs and Share Issue Expenses :**

- i. Borrowing cost attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use.
- ii. Expenses on issue of Shares, Debentures and Bonds as well as Premium on Redemption of Debentures are adjusted to Securities Premium Account in accordance with Companies Act, 2013.
- iii. Borrowing cost such as discount or premium and ancillary costs in connection with arrangement of borrowings are amortised over the period of borrowings.
- iv. Other borrowing costs are charged as expense in the year in which these are incurred.

### **m. Taxation :**

Tax expense comprises of current income and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised 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.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

### **n. Leases :**

Where the Company is the lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor :

- i. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.
- ii. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

### **o. Segment Reporting Policies :**

- i. Identification of segments  
The Company has only one business segment 'Cementitious Materials' as its primary segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.
- ii. Segment Policies  
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### **p. Cash and Bank Balances :**

- i. Cash and Bank balances in the Balance Sheet comprises of cash at bank including fixed deposits, cheques in hand and cash on hand.
- ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

### **q. Government Grants and Subsidies :**

- i. Grants and subsidies from the Government are recognised when there is reasonable certainty that the grant / subsidy will be received and all attaching conditions will be complied with.
- ii. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.
- iii. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.
- iv. Government grants in the nature of Promoters' contribution are credited to capital reserve and treated as a part of Shareholders' Funds.

### **r. Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

## Notes to Financial Statements (Contd.)

	As at 31.12.2015	As at 31.12.2014
	₹ in crores	₹ in crores
<b>3. Share capital</b>		
<b>Authorised</b>		
2,500,000,000 (previous year - 2,500,000,000) Equity shares of ₹ 2 each .....	500.00	500.00
150,000,000 (previous year - 150,000,000) Preference shares of ₹ 10 each .....	150.00	150.00
Total .....	<u>650.00</u>	<u>650.00</u>
<b>Issued</b>		
1,552,223,941 (previous year - 1,550,072,306) Equity shares of ₹ 2 each fully paid-up.....	<u>310.45</u>	<u>310.02</u>
<b>Subscribed and fully paid up</b>		
1,551,897,421 (previous year - 1,549,745,786) Equity shares of ₹ 2 each fully paid-up.....	<u>310.38</u>	<u>309.95</u>

### Additional information :

	As at 31.12.2015		As at 31.12.2014
	No. of shares	₹ in crores	No. of shares
			₹ in crores
<b>a) Reconciliation of equity shares outstanding</b>			
At the beginning of the year .....	1,549,745,786	309.95	1,545,860,286
Add : Issued against Employee Stock Option Schemes (ESOS)	2,151,635	0.43	3,885,500
At the end of the year.....	<u>1,551,897,421</u>	<u>310.38</u>	<u>1,549,745,786</u>

### b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31.12.2015	As at 31.12.2014
	₹ in crores	₹ in crores
<b>c) Equity shares held by holding company, ultimate holding company and their subsidiaries</b>		
i) Holderind Investments Limited, Mauritius (HIL), the holding company (Refer note 49)		
629,638,433 (previous year - 629,638,433) Equity shares of ₹ 2 each fully paid-up.....	125.93	125.93
ii) Holcim (India) Private Limited Limited (HIPL), a fellow subsidiary (Refer note 49)		
150,670,120 (previous year - 150,670,120) Equity shares of ₹ 2 each fully paid-up.....	30.13	30.13

	As at 31.12.2015		As at 31.12.2014
	No. of shares	% holding	No. of shares
			% holding
<b>d) Details of equity shares held by shareholders holding more than 5% shares in the Company</b>			
i) Holderind Investments Limited, Mauritius (Refer note 49) ..	629,638,433	40.57%	629,638,433
ii) Holcim (India) Private Limited (Refer note 49) .....	150,670,120	9.71%	150,670,120
iii) Life Insurance Corporation of India .....	124,434,343	8.02%	100,206,061

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

<b>e)</b> Outstanding employee stock options exercisable into Nil (previous year - 2,344,400) equity shares of ₹ 2 each fully paid up (Refer note 33 (b)).	
<b>f)</b> Outstanding tradable warrants and right shares kept in abeyance exercisable into 186,690 (previous year - 186,690) and 139,830 (previous year - 139,830) equity shares of ₹ 2 each fully paid-up respectively.	



## Notes to Financial Statements (Contd.)

	₹ in crores	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>4. Reserves and surplus</b>			
<b>Subsidies :</b>			
a) Cash subsidies from Government and other authorities .....	4.90		4.90
b) Grant-in-aid subsidy from DANIDA.....	0.12		0.12
		5.02	5.02
<b>Capital reserve .....</b>		130.71	130.71
<b>Capital redemption reserve .....</b>		9.93	9.93
<b>Securities premium account :</b>			
Balance as per the last financial statements .....	1,477.49		1,426.74
Add : Employee stock options exercised during the year .....	25.17		41.77
Add : Transferred from employee stock options outstanding .....	8.47		8.98
		1,511.13	1,477.49
<b>Employee stock options outstanding :</b>			
Balance as per the last financial statements .....	9.24		18.27
Less : Transferred to securities premium account on exercise of employee stock options.....	8.47		8.98
Less : Transferred to general reserve on lapse of employee stock options.....	0.77		0.05
		-	9.24
<b>General Reserve :</b>			
Balance as per the last financial statements .....	6,505.06		6,355.01
Add : Transferred from surplus balance in the statement of profit and loss.....	-		150.00
Add : Transferred from employee stock options outstanding for lapsed employee stock options .....	0.77		0.05
		6,505.83	6,505.06
<b>Surplus in the statement of profit and loss :</b>			
Balance as per the last financial statements .....	1,655.93		1,230.69
Less : Adjustment for Depreciation and amortization expense (Refer note 51) .....	(106.63)		-
Add : Profit for the year.....	807.56		1,496.36
Less : Appropriations			
Interim equity dividend - ₹ 1.60 per equity share (previous year - ₹ 1.80 per equity share) .....	(248.30)		(278.69)
Tax on interim equity dividend.....	(50.55)		(47.36)
Proposed final equity dividend - ₹ 1.20 per equity share (previous year - ₹ 3.20 per equity share) (Refer note 39) .....	(186.23)		(495.92)
Tax on proposed final equity dividend .....	(37.91)		(99.15)
Transfer to general reserve .....	-		(150.00)
	(522.99)		(1,071.12)
		1,833.87	1,655.93
<b>Total .....</b>		<b>9,996.49</b>	<b>9,793.38</b>
		<b>Non-current</b>	<b>Current</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>
	<b>₹ in crores</b>	<b>₹ in crores</b>	<b>₹ in crores</b>
<b>5. Long-term borrowings</b>			
<b>Secured</b>			
Interest free loan from State Government <sup>a</sup> .....	9.45	5.86	-
<b>Unsecured</b>			
Sales tax deferment loan <sup>b</sup> .....	13.23	23.29	10.06
Total .....	22.68	29.15	10.06
Less : Amount disclosed under the head "Other current liabilities" (Refer note 9) .....	-	-	(10.06)
Total .....	22.68	29.15	-
a. Secured by bank guarantee and repayable as below :			
₹ 5.86 crores on 27th February, 2020			
₹ 3.59 crores on 18th August, 2022			
b. Sales tax deferment loan is interest free and payable in 10 annual installments starting from April 2007 to April 2017 of varying amounts from ₹ 1.52 crores to ₹ 13.23 crores.			

## Notes to Financial Statements (Contd.)

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>6. Deferred tax liabilities (net)</b>		
<b>Deferred tax liabilities, on account of :</b>		
Depreciation and amortisation .....	731.68	723.47
Total .....	<u>731.68</u>	<u>723.47</u>
<b>Deferred tax assets, on account of :</b>		
Employee benefits .....	33.88	32.43
Provision for slow and non moving spares .....	12.85	10.84
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years .....	29.25	23.88
Others .....	90.80	67.28
Total .....	<u>166.78</u>	<u>134.43</u>
Deferred tax liabilities (net) .....	<u>564.90</u>	<u>589.04</u>
<b>7. Other long-term liabilities</b>		
Liability for capital expenditure.....	2.81	3.38
Others .....	3.18	5.84
Total.....	<u>5.99</u>	<u>9.22</u>
	<b>Long-term</b>	<b>Short-term</b>
	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>8. Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity and staff benefit schemes .....	17.10	16.05
Provision for compensated absences.....	-	-
	<u>17.10</u>	<u>16.05</u>
<b>Other provisions</b>		
Provision for Income tax, net of advances.....	-	-
Provision for mines reclamation expenses* .....	18.30	16.52
Proposed equity dividend .....	-	-
Provision for tax on proposed equity dividend.....	-	-
	<u>18.30</u>	<u>16.52</u>
Total.....	<u>35.40</u>	<u>32.57</u>
	<b>As at 31.12.2015 ₹ in crores</b>	<b>As at 31.12.2014 ₹ in crores</b>
* Movement during the year		
Opening balance .....	16.52	15.35
Add : Provision during the year.....	2.63	3.23
	<u>19.15</u>	<u>18.58</u>
Less : Utilisation during the year .....	(0.85)	(2.06)
Closing balance .....	<u>18.30</u>	<u>16.52</u>
Mines reclamation expenses are incurred on an ongoing basis until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.		
<b>9. Other current liabilities</b>		
Current maturities of long-term borrowing (Refer note 5).....	10.06	-
Unclaimed dividends**.....	21.70	21.83
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL ** .....	2.55	2.56
Liability for capital expenditure.....	55.33	126.08
Security deposits .....	305.42	296.80
Advance received from customers .....	51.42	62.19
Statutory dues .....	251.20	249.09
Other payables (including Rebates to customers, Employees dues, etc.) .....	764.25	584.28
Total.....	<u>1,461.93</u>	<u>1,342.83</u>

\*\* Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates.

## Notes to Financial Statements (Contd.)

### 10. Tangible and Intangible assets

	Tangible assets											Intangible assets			₹ in crores
	Freehold non mining land	Freehold mining land	Leasehold land	Buildings, roads and water works (a)	Marine structures (b)	Plant and machinery (c)	Railway sidings and locomotives (d)	Furniture and fixtures	Office equipment	Ships	Vehicles	Total	Water drawing rights	Computer software	Total
<b>Gross carrying value, at cost</b>															
Opening as on 1st January, 2014	331.83	363.05	128.60	1,578.89	95.58	7,648.84	77.93	42.68	128.18	251.73	111.62	10,758.93	6.16	61.09	67.25
Additions .....	10.98	39.77	8.89	127.03	-	472.69	6.20	2.88	15.37	0.28	6.16	690.25	-	-	-
Deductions / Transfers .....	2.24	-	-	0.38	-	70.62	-	0.26	9.76	0.07	4.02	87.35	-	-	-
As at 31st December, 2014, .....	340.57	402.82	137.49	1,705.54	95.58	8,050.91	84.13	45.30	133.79	251.94	113.76	11,361.83	6.16	61.09	67.25
<b>Additions .....</b>	<b>2.89</b>	<b>48.65</b>	<b>0.65</b>	<b>143.01</b>	<b>2.88</b>	<b>456.45</b>	<b>-</b>	<b>5.08</b>	<b>15.12</b>	<b>1.37</b>	<b>10.12</b>	<b>686.22</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deductions / Transfers .....</b>	<b>2.23</b>	<b>0.14</b>	<b>-</b>	<b>0.64</b>	<b>-</b>	<b>89.77</b>	<b>-</b>	<b>0.17</b>	<b>3.66</b>	<b>0.23</b>	<b>5.81</b>	<b>102.65</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31st December, 2015, .....</b>	<b>341.23</b>	<b>451.33</b>	<b>138.14</b>	<b>1,847.91</b>	<b>98.46</b>	<b>8,417.59</b>	<b>84.13</b>	<b>50.21</b>	<b>145.25</b>	<b>253.08</b>	<b>118.07</b>	<b>11,945.40</b>	<b>6.16</b>	<b>61.09</b>	<b>67.25</b>
<b>Depreciation / amortisation</b>															
Opening as on 1st January, 2014	-	36.14	17.18	310.97	63.55	3,957.25	36.40	26.83	71.20	108.57	68.68	4,696.77	5.81	61.07	66.88
Charge for the year .....	-	0.88	2.94	54.70	3.82	405.61	3.64	2.44	14.34	10.80	10.32	509.49	0.02	0.02	0.04
Deductions / Transfers .....	-	-	-	0.10	-	58.96	-	0.18	8.70	0.06	3.21	71.21	-	-	-
As at 31st December, 2014, .....	-	37.02	20.12	365.57	67.37	4,303.90	40.04	29.09	76.84	119.31	75.79	5,135.05	5.83	61.09	66.92
<b>Charge for the year (e) .....</b>	<b>-</b>	<b>4.66</b>	<b>3.11</b>	<b>152.30</b>	<b>6.70</b>	<b>554.89</b>	<b>12.00</b>	<b>4.26</b>	<b>33.29</b>	<b>7.52</b>	<b>8.44</b>	<b>787.17</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>
<b>Deductions / Transfers .....</b>	<b>-</b>	<b>0.14</b>	<b>-</b>	<b>0.29</b>	<b>-</b>	<b>58.90</b>	<b>-</b>	<b>0.15</b>	<b>3.55</b>	<b>0.17</b>	<b>5.34</b>	<b>68.54</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31st December, 2015, .....</b>	<b>-</b>	<b>41.54</b>	<b>23.23</b>	<b>517.58</b>	<b>74.07</b>	<b>4,799.89</b>	<b>52.04</b>	<b>33.20</b>	<b>106.58</b>	<b>126.66</b>	<b>78.89</b>	<b>5,853.68</b>	<b>5.85</b>	<b>61.09</b>	<b>66.94</b>
<b>Net carrying value</b>															
As at 31st December, 2014, .....	340.57	365.80	117.37	1,339.97	28.21	3,747.01	44.09	16.21	56.95	132.63	37.97	6,226.78	0.33	-	0.33
<b>As at 31st December, 2015, .....</b>	<b>341.23</b>	<b>409.79</b>	<b>114.91</b>	<b>1,330.33</b>	<b>24.39</b>	<b>3,617.70</b>	<b>32.09</b>	<b>17.01</b>	<b>38.67</b>	<b>126.42</b>	<b>39.18</b>	<b>6,091.72</b>	<b>0.31</b>	<b>-</b>	<b>0.31</b>

#### Notes :

- (a) Includes :
- Premises on ownership basis of ₹ 102.37 crores (previous year - ₹ 101.84 crores) and ₹ 17.80 crores (previous year - ₹ 16.20 crores) being the depreciation thereon upto 31st December, 2015 and cost of shares in co-operative societies are ₹ 12,630 (previous year - ₹ 12,630).
  - ₹ 28.86 crores (previous year - ₹ 27.47 crores) being cost of roads constructed by the Company, the ownership of which vests with the Government / Local Authorities and ₹ 14.46 crores (previous year - ₹ 3.41 crores) being the depreciation thereon upto 31st December, 2015.
- (b) Cost incurred by the Company, ownership of which vests with the State Maritime Boards.
- (c) i) Includes ₹ 6.43 crores (previous year - ₹ 6.43 crores) being cost of railway wagons given on lease to the railway under 'Own Your Wagon Scheme' and ₹ 6.43 crores (previous year - ₹ 5.45 crores) being the depreciation thereon upto 31st December, 2015.  
ii) Includes ₹ 99.92 crores (previous year - ₹ 100.57 crores) being cost of power lines incurred by the Company, the ownership of which vests with the State Electricity Boards and ₹ 29.96 crores (previous year - ₹ 28.03 crores) being the depreciation thereon upto 31st December, 2015.
- (d) Includes ₹ 18.10 crores (previous year - ₹ 18.10 crores) being cost of railway sidings constructed by the Company, the ownership of which vests with the Railway authorities and ₹ 6.35 crores (previous year - ₹ 4.59 crores) being the depreciation thereon upto 31st December, 2015.
- (e) Includes ₹ 161.53 crores (previous year ₹ Nil) being depreciation adjusted in "Surplus in the statement of profit and loss". (Refer note 51)

## Notes to Financial Statements (Contd.)

		As at 31.12.2015	As at 31.12.2014
	₹ in crores	₹ in crores	₹ in crores
<b>11. Non-current investments</b>			
<b>Unquoted</b>			
<b>Trade investments (valued at cost, unless stated otherwise)</b>			
<b>Investment in subsidiaries</b>			
In fully paid equity shares			
<b>100,000</b> (100,000) equity shares of ₹ 10 each in Kakinada Cements Limited (Refer note 52) .....	<b>0.10</b>		0.10
Less : Provision for diminution in value of investment.....	<b>0.10</b>		-
		-	0.10
<b>750,000</b> (749,990) equity shares of ₹ 10 each in M.G.T. Cements Private Limited	<b>3.05</b>		3.05
<b>5,140,000</b> (5,139,990) equity shares of ₹ 10 each in Chemical Limes Mundwa Private Limited.....	<b>6.47</b>		6.47
<b>2,029,135</b> (2,029,135) equity shares of Nepali ₹ 100 each in Dang Cement Industries Private Limited.....	<b>24.75</b>		24.75
<b>2,075,383</b> (2,075,383) equity shares of ₹ 10 each in Dirk India Private Limited (Refer note 50) .....	<b>23.03</b>		23.03
		<b>57.30</b>	57.40
<b>Investment in joint ventures (Refer note 42)</b>			
In fully paid equity shares			
<b>4,010,002</b> (4,010,002) equity shares of ₹ 10 each in Counto Microfine Products Private Limited .....		<b>10.00</b>	10.00
<b>1,227,150</b> (1,227,150) equity shares of ₹ 10 each in Wardha Vadley Coal Field Private Limited.....	<b>1.23</b>		1.23
Less : Provision for diminution in value of investment.....	<b>1.23</b>		-
		-	1.23
<b>2,501,000</b> (-) equity shares of ₹ 10 each in OneIndia BSC Private Limited (Refer note 53) .....		<b>2.50</b>	-
		<b>12.50</b>	11.23
In fully paid preference shares			
<b>7,500,000</b> (7,500,000) 13.00% compulsorily convertible preference shares of ₹ 10 each in Counto Microfine Products Private Limited .....		<b>7.50</b>	7.50
<b>Other investments (valued at cost, unless stated otherwise)</b>			
<b>Government and trust securities</b>			
National Savings Certificate ₹ 36,500 (previous year - ₹ 36,500) deposited with Government department as security.....		-	-
<b>Equity shares</b>			
In fully paid equity shares			
<b>1,000,000</b> (1,000,000) equity shares of ₹ 10 each in Gujarat Goldcoin Ceramics Limited .....	<b>1.00</b>		1.00
Less : Provision for diminution in value of investment.....	<b>1.00</b>		1.00
		-	-
<b>Public sector bonds</b>			
<b>296</b> (296) 5.13% taxable redeemable bonds of ₹ 1,000,000 each of Himachal Pradesh Infrastructure Development Bonds .....		<b>29.60</b>	29.60
Total .....		<b>106.90</b>	105.73
		<b>Book value as at</b>	
		<b>31.12.2015</b>	<b>31.12.2014</b>
		<b>₹ in crores</b>	<b>₹ in crores</b>
Aggregate amount of unquoted investments .....	<b>109.23</b>		106.73
Less : aggregate provision for diminution in value of investments.....	<b>2.33</b>		1.00
Total .....	<b>106.90</b>		105.73

## Notes to Financial Statements (Contd.)

		Non-current		Current	
		As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>12.</b>	<b>Loans and advances</b>				
	<b>Unsecured, considered good</b>				
	Capital advances .....	372.35	239.95	-	-
	Security and other deposit (Refer note 28 (I) (iv)) .....	212.26	179.60	-	-
	Inter corporate deposits, loans and advances to related parties (Refer note 31 (2) (A to D)) .....	10.20	42.58	32.88	0.54
	Deposit given to Housing Development Finance Corporation Limited .....	-	-	100.00	100.00
	Income tax advances (net of provisions) .....	79.79	79.51	-	-
	Advances recoverable in cash or kind .....	46.11	51.68	203.38	207.78
		<b>720.71</b>	<b>593.32</b>	<b>336.26</b>	<b>308.32</b>
	<b>Unsecured, considered doubtful</b>				
	Capital advances .....	4.86	6.25	-	-
	Inter corporate deposits, loans and advances to related parties (Refer note 31 (2)(A to D)) .....	0.83	-	-	-
	Advances recoverable in cash or kind .....	7.16	-	-	7.16
		12.85	6.25	-	7.16
	Less : Provision .....	(12.85)	(6.25)	-	(7.16)
		-	-	-	-
	Total .....	<b>720.71</b>	<b>593.32</b>	<b>336.26</b>	<b>308.32</b>
<b>13.</b>	<b>Trade receivable and other assets</b>				
<b>13.1</b>	<b>Trade receivables</b>				
	<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
	Secured, considered good .....	-	-	1.31	1.74
	Unsecured, considered good .....	-	-	12.41	1.97
	Unsecured, considered doubtful .....	-	-	8.38	6.03
		-	-	22.10	9.74
	Less : Provision .....	-	-	(8.38)	(6.03)
		-	-	13.72	3.71
	<b>Others</b>				
	Secured, considered good .....	-	-	78.22	71.64
	Unsecured, considered good .....	-	-	194.42	152.63
		-	-	272.64	224.27
	Total .....	-	-	<b>286.36</b>	<b>227.98</b>
<b>13.2</b>	<b>Other assets</b>				
	<b>Unsecured, considered good</b>				
	Incentives receivable under Government incentive schemes....	256.52	271.28	29.63	6.48
	Non-current bank balance (Refer note 16) .....	23.05	18.03	-	-
	Interest accrued on fixed deposit .....	-	-	20.94	28.89
	Interest accrued on investments .....	-	-	1.11	1.11
	Interest accrued on loan to subsidiary .....	-	-	8.48	3.85
	Assets awaiting disposal (lower of carrying value and estimated net realisable value) .....	-	-	0.85	1.08
	Others .....	-	-	1.90	3.99
		<b>279.57</b>	<b>289.31</b>	<b>62.91</b>	<b>45.40</b>
	<b>Unsecured, considered doubtful</b>				
	Incentives receivable under Government incentive schemes....	31.84	31.84	-	-
	Less : Provision .....	(31.84)	(31.84)	-	-
		-	-	-	-
	Total .....	<b>279.57</b>	<b>289.31</b>	<b>62.91</b>	<b>45.40</b>

## Notes to Financial Statements (Contd.)

	As at 31.12.2015		As at 31.12.2014	
	Numbers	₹ in crores	Numbers	₹ in crores
<b>14. Current investments</b>				
(valued at lower of cost and fair value, unless stated otherwise)				
<b>Unquoted mutual funds, fully paid-up :</b>				
<b>Unit of Face Value ₹ 10 each</b>				
HDFC Liquid Fund - Direct Plan - Growth Option.....	-	-	49,256,584.96	130.82
JP Morgan India Liquid Fund - Direct Plan - Growth.....	-	-	52,200,617.95	91.31
JM High Liquidity Fund (Direct) - Growth Option.....	-	-	22,907,945.82	84.63
Sundaram Money Fund - Direct Plan Growth .....	<b>31,290,429.77</b>	<b>95.00</b>	-	-
<b>Unit of Face Value ₹ 100 each</b>				
Birla Sun Life Cash Plus - Growth - Direct Plan .....	<b>5,420,766.00</b>	<b>123.22</b>	5,953,952.00	128.46
DWS Insta Cash Plus Fund - Direct Plan - Growth .....	<b>7,096,770.90</b>	<b>131.05</b>	6,687,421.40	117.04
ICICI Prudential Liquid - Direct Plan - Growth .....	<b>6,388,784.68</b>	<b>133.89</b>	6,236,219.66	124.02
<b>Unit of Face Value ₹ 1,000 each</b>				
Axis Liquid Fund - Direct Growth .....	<b>828,210.14</b>	<b>131.55</b>	788,045.08	117.49
Baroda Pioneer Liquid Fund - Plan B- Growth .....	<b>812,555.25</b>	<b>134.91</b>	558,598.82	86.15
Canara Robeco Liquid - Direct Growth .....	-	-	329,407.74	53.97
DSP BlackRock Liquidity Fund - Direct Plan - Growth .....	<b>621,157.56</b>	<b>130.00</b>	641,178.62	124.23
HDFC Liquid Fund - Direct Plan - Growth Option.....	<b>480,806.88</b>	<b>137.39</b>	-	-
IDFC Cash Fund - Growth - (Direct Plan).....	<b>716,703.48</b>	<b>124.02</b>	728,387.70	119.04
IDBI Liquid Fund - Direct Plan - Growth.....	<b>712,984.60</b>	<b>110.64</b>	418,842.55	60.85
Kotak Liquid Scheme Plan A - Direct Plan - Growth .....	<b>427,821.59</b>	<b>124.96</b>	343,985.27	94.26
L&T Liquid Fund Direct Plan - Growth .....	<b>637,657.68</b>	<b>129.06</b>	631,811.16	116.63
Principal Cash Management Fund - Direct Plan Growth .....	-	-	274,613.16	36.04
Reliance Liquidity Fund - Direct Growth Plan Growth Option .....	<b>616,566.76</b>	<b>136.87</b>	390,265.56	80.53
Relligare Invesco Liquid Fund - Direct Plan - Growth .....	<b>621,675.08</b>	<b>123.32</b>	673,543.98	124.55
SBI Premier Liquid Fund - Direct Plan - Growth .....	<b>599,058.48</b>	<b>134.71</b>	599,319.63	126.58
Tata Liquid Fund Direct Plan - Growth.....	<b>305,266.12</b>	<b>81.22</b>	309,277.81	76.68
Union KBC Liquid Fund - Direct Plan - Growth .....	-	-	283,143.52	38.10
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth.....	<b>588,615.06</b>	<b>137.42</b>	614,745.39	135.62
Total*.....		<b>2,119.23</b>		<b>2,067.00</b>
* Aggregate amount of unquoted investments				

	As at 31.12.2015		As at 31.12.2014	
	₹ in crores		₹ in crores	
<b>15. Inventories</b>				
(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)				
Raw materials (including in transit - ₹ 1.14 crores; previous year - ₹ 0.92 crore) .....	<b>62.14</b>		63.33	
Work-in-progress .....	<b>203.78</b>		225.83	
Finished goods.....	<b>84.62</b>		86.99	
Stock in trade .....	-		0.97	
Stores and spares (including in transit - ₹ 3.51 crores; previous year - ₹ 5.01 crores).....	<b>194.55</b>		174.31	
Coal and fuel (including in transit - ₹ 0.61 crore; previous year - ₹ 14.11 crores) .....	<b>336.83</b>		320.70	
Packing materials (including in transit - ₹ 0.26 crore; previous year - ₹ 0.23 crore).....	<b>13.53</b>		16.26	
Total .....	<b>895.45</b>		<b>888.39</b>	

## Notes to Financial Statements (Contd.)

	Non-current		Current	
	As at	As at	As at	As at
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	₹ in crores	₹ in crores	₹ in crores	₹ in crores
<b>16. Cash and bank balances</b>				
<b>Cash and cash equivalents :</b>				
Balances with banks :				
In current accounts .....	-	-	155.01	135.07
Deposit with original maturity upto 3 months.....	-	-	2,633.00	2,132.00
	-	-	2,788.01	2,267.07
Cash on hand.....	-	-	0.22	0.25
Earmarked balances with banks .....	-	-	24.25	24.39
	-	-	2,812.48	2,291.71
<b>Other bank balances :</b>				
Fixed deposit with banks, given as security against bank guarantees and others				
Original maturity more than 3 months and upto 12 months	-	-	35.91	166.41
Original maturity more than 12 months.....	23.05	18.03	-	-
	23.05	18.03	35.91	166.41
Less : Amount disclosed under non-current asset (Refer note 13.2) .....	(23.05)	(18.03)	-	-
	-	-	35.91	166.41
Total .....	-	-	2,848.39	2,458.12
			2015	2014
	₹ in crores	₹ in crores	₹ in crores	₹ in crores
<b>17. Other operating revenues</b>				
Sale of Power .....			0.26	0.21
Provisions no longer required written back.....			19.28	8.17
Sale of scrap (net of excise duty) .....			23.43	23.45
Insurance Claims .....			5.47	7.32
Miscellaneous income .....			44.66	28.27
Total .....			93.10	67.42
<b>18. Other income</b>				
Interest income on				
Bank deposits .....	186.50			218.25
Long-term investments .....	1.52			1.52
Income tax refund .....	-			1.94
Others .....	10.93			9.50
			198.95	231.21
Profit on sale of current investments .....			148.20	92.45
Dividend from mutual fund .....			-	59.58
Others (Refer note 45 (a)) .....			11.04	45.74
Total .....			358.19	428.98
<b>19. Cost of raw material consumed (Refer note 44(i))</b>				
Opening stock .....			63.33	54.12
Add : purchases.....			795.92	803.50
Less : closing stock .....			62.14	63.33
Total .....			797.11	794.29
<b>Break-up of raw materials consumed</b>				
Fly ash .....			344.20	334.79
Gypsum .....			217.20	237.14
Others .....			235.71	222.36
Total .....			797.11	794.29

## Notes to Financial Statements (Contd.)

		2015	2014
	₹ in crores	₹ in crores	₹ in crores
<b>20. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>			
Closing stock :			
Work-in-progress .....	203.78		225.83
Finished goods.....	84.62		86.99
Stock-in-Trade .....	-		0.97
		288.40	313.79
Opening stock :			
Work-in-progress .....	225.83		223.53
Finished goods.....	86.99		105.81
Stock-in-Trade .....	0.97		0.36
		313.79	329.70
Decrease .....		25.39	15.91
<b>21. Employee benefits expense</b>			
Salaries and wages .....		510.44	489.87
Contribution to provident and other funds .....		36.47	52.97
Staff welfare expenses .....		42.61	38.74
Total .....		589.52	581.58
<b>22. Freight and forwarding expenses (Refer note 44(ii))</b>			
On internal material transfer .....		634.48	579.95
On finished products .....		1,875.20	1,858.94
Total .....		2,509.68	2,438.89
<b>23. Finance costs</b>			
Interest :			
On Income tax (net of interest income on refund ₹ 61.30 crores; previous year - ₹ 31.65 crores)		53.03	24.58
Others .....		38.76	39.90
Total .....		91.79	64.48
<b>24. Depreciation and amortisation expense (Refer note 51)</b>			
Depreciation on tangible assets .....		625.64	509.49
Amortisation on intangible assets .....		0.02	0.04
Total .....		625.66	509.53
<b>25. Other expenses</b>			
Royalty and cess (Refer note 54) .....		231.69	153.09
Stores and spares consumed .....		302.47	313.73
Packing materials consumed.....		348.73	416.59
Repairs and maintenance :			
Building .....	12.35		8.63
Plant and machinery .....	139.37		150.46
Others .....	15.73		18.90
		167.45	177.99
Excise duty :			
Excise duty on captive consumption of clinker .....	29.97		26.15
Excise duty variation on opening / closing stock .....	(0.34)		(4.00)
		29.63	22.15
Rent (Refer note 43) .....		31.71	29.50
Rates and taxes .....		95.44	97.61
Carried forward .....		1,207.12	1,210.66



## Notes to Financial Statements (Contd.)

	2015	2014
₹ in crores	₹ in crores	₹ in crores
<b>25. Other expenses (Contd.)</b>		
Brought forward .....	<b>1,207.12</b>	1,210.66
Insurance .....	<b>17.75</b>	18.70
Technology and Know-How fee (net of recovery) .....	<b>92.43</b>	97.00
Advertisement and publicity .....	<b>86.70</b>	87.23
Discount on sales .....	<b>44.45</b>	44.27
Donation .....	<b>39.46</b>	33.05
Loss on assets sold, discarded and written off (net).....	<b>25.85</b>	5.24
Miscellaneous expenses* .....	<b>441.42</b>	425.09
Total .....	<b>1,955.18</b>	1,921.24
*Miscellaneous expenses include payment to auditors (excluding service tax)		
Statutory auditor		
as auditor.....	<b>2.81</b>	2.61
for other services.....	<b>0.14</b>	0.02
for reimbursement of expenses.....	<b>0.18</b>	0.09
	<b>3.13</b>	2.72
Cost auditor		
as auditor.....	<b>0.06</b>	0.06
for reimbursement of expenses.....	<b>0.02</b>	0.02
	<b>0.08</b>	0.08
	<b>3.21</b>	2.80
Total .....	<b>3.21</b>	2.80

## 26. Earnings per equity share (EPS) :

(i) Profit attributable to equity shareholders for basic and diluted EPS .....	<b>807.56</b>	1,496.36
(ii) Weighted average number of equity shares for basic EPS.....	<b>1,551,188,572</b>	1,547,458,221
Add : Potential equity shares on exercise of option of ESOS.....	-	1,067,470
Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992.....	<b>282,985</b>	283,818
Weighted average number of shares for diluted EPS .....	<b>1,551,471,557</b>	1,548,809,509
(iii) Nominal value of equity share (in ₹) .....	<b>2.00</b>	2.00
(iv) Earnings per equity share (in ₹)		
Basic .....	<b>5.21</b>	9.67
Diluted.....	<b>5.21</b>	9.66

## 27. Segment reporting :

The Company has only one business segment 'Cementitious Materials' as primary segment. The secondary segment is geographical, which is given as under :

a) Revenue from operations		
i) Sale of products (Net of excise duty)		
Within India.....	<b>9,363.49</b>	9,865.44
Outside India.....	<b>4.81</b>	45.26
Total .....	<b>9,368.30</b>	9,910.70
ii) Other operating revenues		
Within India.....	<b>92.92</b>	66.18
Outside India.....	<b>0.18</b>	1.24
Total .....	<b>93.10</b>	67.42

b) All the assets of the Company, except ₹ 25.10 crores (previous year - ₹ 30.77 crores), are within India. All tangible assets acquired during the year are within India.

## Notes to Financial Statements (Contd.)

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>28. Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>(I) Contingent liabilities and claims against the Company not acknowledged as debts related to various matters given below. Future cash outflows, in respect of these are determinable only on receipt of judgements / decisions pending at various forums / authorities.</b>		
(i) Labour.....	23.47	20.74
(ii) Land.....	17.64	58.86
(iii) Royalty on Limestone <sup>a</sup> .....	143.12	119.97
(iv) Sales tax <sup>b</sup> .....	267.64	266.27
(v) Excise and Customs.....	67.99	67.94
(vi) Guarantee given on behalf of joint venture company .....	-	7.14
(vii) Others .....	154.01	140.24
a Royalty on limestone represents additional royalty, consequent to the order passed by Madhya Pradesh State Mining Department, based on the ratio of 1.6 tonnes of limestone to 1 tonne of cement produced at its factory in Chhattisgarh. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area. The matter is pending before the Hon'ble High Court of Bilaspur.		
b Includes a matter relating to 75% exemption from sales tax granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company. In year 2014, pursuant to the unfavourable decision of the Supreme Court in that similar matter, the sales tax department has initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case the Supreme Court's decision goes against the matter referred above. Against the total demand of ₹ 247.97 crores (including interest of ₹ 134.45 crores), the Company has deposited an amount of ₹ 143.52 crores (including interest ₹ 30.00 crores) (previous year ₹ 123.52 crores, including interest ₹ 10.00 crores), towards sales tax under protest and filed a Special Leave Petition in the Supreme Court with one of the ground that the tax exemption was availed by virtue of the order passed by the Board for Industrial & Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.		
<b>(II) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) .....	327.26	419.82
<b>29. Material Demand and dispute considered as "remote" by the Company</b>		
One of the Company's Cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company is manufacturing & using a product covered under the negative list and raised a demand of ₹ 66.94 crores (previous year ₹ 66.94 crores). The Company has filed a writ in the High Court of Himachal Pradesh against the demand which has been admitted and arguments completed. The Company believes its case is strong and the demand shall not sustain under law.		
<b>30. The Competition Commission of India (CCI), in 2012 had imposed a penalty of ₹ 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), vide an interim order, had stayed the penalty with a condition to deposit 10% of the penalty amount. The Company had deposited the said amount in compliance of the condition of the order. Penalty of ₹ 1,163.91 crores was disclosed as a contingent liability in the financial statements upto the previous year ended December 31, 2014. The COMPAT, vide its final order dated 11th December, 2015, while disposing off the said appeal, set aside the order of the CCI and remanded the matter to CCI for fresh adjudication and for passing a fresh order. Further, in terms of order, the Company has received the refund of deposit, along with accumulated interest.</b>		

## Notes to Financial Statements (Contd.)

### 31. Related party disclosure (As per Accounting Standard 18 specified under Section 133 of the Companies Act, 2013)

#### 1 Name of related parties

##### (A) Names of the related parties where control exists

	Nature of Relationship
(I) Lafarge Holcim Limited (Formerly known as Holcim Limited), Switzerland .....	Ultimate Holding Company
(II) Holderfin BV, Netherlands .....	Intermediate Holding Company
(III) Holderind Investments Limited, Mauritius .....	Holding Company
(IV) Kakinada Cements Limited (Refer note 52) .....	Subsidiary
(V) M.G.T. Cements Private Limited .....	Subsidiary
(VI) Chemical Limes Mundwa Private Limited .....	Subsidiary
(VII) Dang Cement Industries Private Limited, Nepal .....	Subsidiary
(VIII) Dirk India Private Limited .....	Subsidiary
(IX) Wardha Vaalley Coal Field Private Limited .....	Joint Venture
(X) Counto Microfine Products Private Limited .....	Joint Venture
(XI) OneIndia BSC Private Limited (Refer note 53) .....	Joint Venture (w.e.f.13.08.2015)

##### (B) Others-with whom transactions have taken place during the year

##### (I) Names of other related parties

	Nature of Relationship
(a) ACC Limited .....	Fellow Subsidiary
(b) Holcim (India) Private Limited (Refer note 49) .....	Fellow Subsidiary
(c) Holcim (Lanka) Limited, Sri Lanka .....	Fellow Subsidiary
(d) Holcim Group Services Limited, Switzerland .....	Fellow Subsidiary
(e) Holcim Technology Limited, Switzerland .....	Fellow Subsidiary
(f) Holcim Philippines, Inc., Philippines .....	Fellow Subsidiary
(g) Holcim Services (South Asia) Limited .....	Fellow Subsidiary
(h) Holcim Services (Asia) Limited, Thailand .....	Fellow Subsidiary
(i) Holcim Trading FZCO, UAE .....	Fellow Subsidiary
(j) Holcim Trading Pte Limited, Singapore .....	Fellow Subsidiary
(k) PT Holcim Indonesia Tbk., Indonesia .....	Fellow Subsidiary
(l) Holcim Cement (Bangladesh) Limited, Bangladesh .....	Fellow Subsidiary
(m) Holcim (Romania) S.A. Romania .....	Fellow Subsidiary
(n) Holcim Technology (Singapore) Pte Limited, Singapore ..	Fellow Subsidiary
(o) Lafarge India Private Limited .....	Fellow Subsidiary (w.e.f.10.07.2015)
(p) Siam City Cement Public Company Limited, Thailand....	Joint Venture of Fellow Subsidiary (upto 30.03.2015)

##### (II) Key Management Personnel

##### Name of the related parties

	Nature of Relationship
(a) Mr. Ajay Kapur .....	Managing Director & CEO (w.e.f. 25th April, 2014) Deputy Managing Director & CEO (upto 24th April, 2014)
(b) Mr. Onne van der Weijde .....	Managing Director (upto 24th April, 2014)

#### 2 Details of related party transactions

Sr. No.	Description	2015 ₹ in crores	2014 ₹ in crores
<b>A) Transactions with subsidiaries</b>			
1 Purchase of goods			
	Dirk India Private Limited .....	<b>4.72</b>	1.37
2 Sale of goods			
	Dirk India Private Limited .....	-	0.20
3 Interest income			
	Dirk India Private Limited .....	<b>5.11</b>	4.95
	Chemical Limes Mundwa Private Limited .....	<b>0.04</b>	-
		<b>5.15</b>	4.95
4 Receiving of services			
	Dirk India Private Limited .....	<b>14.88</b>	4.25
5 Other recoveries			
	Dirk India Private Limited .....	<b>0.07</b>	0.12
6 Inter corporate deposits and loans given			
	Dirk India Private Limited .....	-	7.83
	Chemical Limes Mundwa Private Limited .....	<b>0.50</b>	-
		<b>0.50</b>	7.83

## Notes to Financial Statements (Contd.)

### 31. Related party disclosure (As per Accounting Standard 18 specified under Section 133 of the Companies Act, 2013) (Contd.)

#### 2 Details of related party transactions (Contd.)

Sr. No.	Description	2015 ₹ in crores	2014 ₹ in crores
<b>A)</b>	<b>Transactions with subsidiaries (Contd.)</b>		
7	Loans given repaid		
	Dirk India Private Limited.....	-	0.94
8	Loans / inter corporate deposits given outstanding at the year end		
	Dirk India Private Limited.....	42.58	42.58
	Chemical Limes Mundwa Private Limited .....	0.50	-
		<u>43.08</u>	<u>42.58</u>
9	Amount receivable at the year end		
	Dirk India Private Limited.....	8.46	3.86
	Chemical Limes Mundwa Private Limited .....	0.04	-
		<u>8.50</u>	<u>3.86</u>
10	Amounts payable at the year end		
	Dirk India Private Limited.....	5.46	2.03
<b>B)</b>	<b>Transactions with fellow subsidiaries</b>		
1	Purchase of goods		
	ACC Limited.....	4.79	47.97
	Holcim Technology Limited, Switzerland.....	-	0.04
	Holcim Trading Pte Limited, Singapore.....	-	73.09
		<u>4.79</u>	<u>121.10</u>
2	Sale of goods		
	ACC Limited.....	59.18	178.29
	Holcim Trading Pte Limited, Singapore.....	4.81	37.85
	Lafarge India Private Limited .....	17.94	-
		<u>81.93</u>	<u>216.14</u>
3	Rendering of services		
	ACC Limited.....	28.16	10.09
	Holcim Services (Asia) Limited, Thailand .....	-	0.47
	Holcim Cement (Bangladesh) Limited, Bangladesh .....	0.05	0.46
	Holcim Technology Limited, Switzerland.....	0.86	-
		<u>29.07</u>	<u>11.02</u>
4	Receiving of services		
	ACC Limited.....	43.67	17.62
	Holcim Group Services Limited, Switzerland .....	2.75	1.67
	Holcim Technology Limited, Switzerland.....	92.44	97.11
	Holcim Technology (Singapore) Pte Limited, Singapore .....	0.02	-
	Holcim Services (South Asia) Limited .....	43.17	56.67
	Holcim Trading Pte Limited, Singapore.....	2.17	3.20
	PT Holcim Indonesia Tbk., Indonesia.....	-	0.05
		<u>184.22</u>	<u>176.32</u>
5	Interest income		
	ACC Limited.....	0.02	-
6	Other recoveries		
	ACC Limited.....	1.67	0.43
	Holcim (Lanka) Limited, Sri Lanka.....	0.18	0.17
	Holcim Technology Limited, Switzerland.....	0.79	-
	Holcim Trading Pte Limited, Singapore.....	0.08	-
		<u>2.72</u>	<u>0.60</u>
7	Other payments		
	ACC Limited.....	-	0.01
	Holcim Trading Pte Limited, Singapore.....	4.02	-
	Holcim (Lanka) Limited, Sri Lanka.....	0.01	-
		<u>4.03</u>	<u>0.01</u>
8	Dividend paid		
	Holcim (India) Private Limited .....	72.32	60.27

## Notes to Financial Statements (Contd.)

### 31. Related party disclosure (As per Accounting Standard 18 specified under Section 133 of the Companies Act, 2013) (Contd.)

#### 2 Details of related party transactions (Contd.)

Sr. No.	Description	2015 ₹ in crores	2014 ₹ in crores
<b>B) Transactions with fellow subsidiaries (Contd.)</b>			
9	Amounts receivable at the year end		
	ACC Limited.....	30.64	16.48
	Holcim (Lanka) Limited, Sri Lanka.....	0.18	0.17
	Holcim Cement (Bangladesh) Limited, Bangladesh .....	0.05	0.74
	Holcim Technology Limited, Switzerland.....	0.33	-
	Lafarge India Private Limited .....	11.21	-
		<b>42.41</b>	<b>17.39</b>
10	Amounts payable at the year end		
	ACC Limited.....	23.30	10.16
	Holcim Technology Limited, Switzerland.....	21.08	20.58
	Holcim Philippines, Inc., Philippines .....	0.02	0.02
	Holcim Technology (Singapore) Pte Limited, Singapore .....	0.02	-
	Holcim Services (South Asia) Limited .....	8.67	6.10
	Holcim (Romania) S.A. Romania .....	0.03	0.03
	Holcim Trading FZCO, UAE.....	0.17	0.16
	Holcim Trading Pte Limited, Singapore.....	-	3.18
	PT Holcim Indonesia Tbk., Indonesia.....	-	0.04
		<b>53.29</b>	<b>40.27</b>
<b>C) Transactions with Holding companies</b>			
1	Dividend paid		
	Holderind Investments Limited, Mauritius.....	302.23	251.86
<b>D) Transactions with joint ventures</b>			
1	Purchase of goods		
	Counto Microfine Products Private Limited .....	-	0.01
2	Rendering of services		
	Counto Microfine Products Private Limited .....	1.78	-
3	Equity contribution		
	OneIndia BSC Private Limited .....	2.50	-
4	Other recoveries		
	Siam City Cement Public Company Limited, Thailand.....	-	0.03
5	Inter corporate deposits and loans given		
	Wardha Vaalley Coal Field Private Limited .....	0.30	0.54
6	Interest income		
	Wardha Vaalley Coal Field Private Limited .....	0.12	0.06
7	Loans / inter corporate deposits given outstanding at the year end		
	Wardha Vaalley Coal Field Private Limited .....	0.83	0.54
8	Guarantees given outstanding at the year end		
	Wardha Vaalley Coal Field Private Limited .....	7.14	7.14
9	Amounts receivable at the year end		
	Wardha Vaalley Coal Field Private Limited .....	0.17	0.06
	Counto Microfine Products Private Limited .....	0.75	-
		<b>0.92</b>	<b>0.06</b>
<b>E) Transactions with key management personnel</b>			
1	Remuneration		
	Mr. Ajay Kapur .....	6.35	5.52
	Mr. Onne van der Weijde .....	-	1.65
		<b>6.35</b>	<b>7.17</b>
2	Amounts payable at the year end		
	Mr. Ajay Kapur .....	0.57	0.97

## Notes to Financial Statements (Contd.)

### 32. Gratuity and other post-employment benefit plans :

#### a) Defined Contribution Plans

The Company has recognised expenses towards the defined contribution plans as under :

	2015 ₹ in crores	2014 ₹ in crores
Contribution to superannuation fund .....	<b>9.38</b>	10.41
Contribution to employees' provident fund organisation .....	<b>18.06</b>	17.94
Others .....	<b>0.08</b>	0.19
Total .....	<b>27.52</b>	28.54

#### b) Defined Benefit Plans - as per actuarial valuation

Funded plan includes gratuity benefit to employees who have completed five years or more of service on departure, at 15 days salary (on last drawn basic salary) for each completed year of service.

Other non funded plan include death & disability benefit, non-funded gratuity and post employment healthcare benefits to certain employees.

The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans :

₹ in crores

Particulars	2015		2014	
	Funded	Other Non funded	Funded	Other Non funded
I Expense recognised in the financial statement				
1 Current service Cost.....	<b>9.34</b>	<b>0.89</b>	8.17	0.62
2 Interest cost.....	<b>8.84</b>	<b>1.13</b>	8.66	0.88
3 Past service cost.....	-	-	-	0.95
4 Expected return on plan assets .....	<b>(9.58)</b>	-	(8.05)	-
5 Actuarial (gains) / losses .....	<b>(5.06)</b>	<b>0.06</b>	6.03	2.30
6 Total expenses recognised in the statement of profit and loss	<b>3.53</b>	<b>2.08</b>	14.78	4.74
7 Total expenses capitalised.....	<b>0.01</b>	-	0.03	0.01
II Net Asset / (Liability) recognised in the Balance Sheet				
1 Present value of defined benefit obligation .....	<b>118.42</b>	<b>16.01</b>	116.79	14.10
2 Fair value of plan assets.....	<b>117.02</b>	-	117.93	-
3 Funded status [surplus / (deficit)] .....	<b>(1.40)</b>	<b>(16.01)</b>	1.14	(14.10)
4 Net asset / (liability) .....	<b>(1.40)</b>	<b>(16.01)</b>	1.14	(14.10)
III Change in obligation during the year				
1 Present value of defined benefit obligation at the beginning of the year .....	<b>116.79</b>	<b>14.10</b>	97.46	9.56
2 Current service cost .....	<b>9.34</b>	<b>0.89</b>	8.17	0.62
3 Interest cost.....	<b>8.84</b>	<b>1.13</b>	8.66	0.88
4 Past service cost.....	-	-	-	0.95
5 Actuarial (gains) / losses .....	<b>(5.10)</b>	<b>0.06</b>	9.32	2.30
6 Benefits payments.....	<b>(11.45)</b>	<b>(0.16)</b>	(6.82)	(0.21)
7 Present value of defined benefit obligation at the end of the year.....	<b>118.42</b>	<b>16.02</b>	116.79	14.10
IV Change in assets during the year				
1 Plan assets at the beginning of the year .....	<b>117.93</b>	-	94.73	-
2 Expected return on plan assets .....	<b>9.58</b>	-	8.05	-
3 Contribution by employer .....	<b>1.00</b>	-	18.68	-
4 Actual benefit paid .....	<b>(11.45)</b>	-	(6.82)	-
5 Actuarial gains / (losses) .....	<b>(0.04)</b>	-	3.29	-
6 Plan assets at the end of the year.....	<b>117.02</b>	-	117.93	-
7 Actual return on plan assets .....	<b>9.54</b>	-	11.34	-
V Expected contribution to gratuity fund in the next year.....	<b>9.00</b>	-	7.50	-
VI Effect of one percentage point change in the assumed medical inflation rate :				
1% Increase on aggregate service and interest cost .....	-	<b>0.20</b>	-	0.17
1% Decrease on aggregate service and interest cost .....	-	<b>(0.21)</b>	-	(0.17)
1% Increase on present value of defined benefit obligation ..	-	<b>1.65</b>	-	1.40
1% Decrease on present value of defined benefit obligation	-	<b>(1.45)</b>	-	(1.46)

## Notes to Financial Statements (Contd.)

### 32. Gratuity and other post-employment benefit plans : (Contd.)

Particulars	2015		2014		
	Funded	Other Non funded	Funded	Other Non funded	
VII The major categories of plan assets as a percentage of total plan Qualifying insurance policy with Life Insurance Corporation of India.....	100%	-	100%	-	
	As at 31.12.2015		As at 31.12.2014		
VIII Actuarial assumptions :					
1 Discount rate.....	7.90% p.a.		8.00% p.a.		
2 Expected rate of return on plan assets.....	8.50% p.a.		8.50% p.a.		
3 Mortality.....	LIC (2006-08) mortality tables		LIC (2006-08) mortality tables		
4 Turnover rate .....	Age 21-44 - 2%, Age 45 -57 - 1%		Age 21-44 - 2%, Age 45 -57 - 1%		
5 Medical premium inflation.....	12% p.a. in the first 5 years and 8% thereafter		12% p.a. in the first 5 years and 8% thereafter		
6 Salary escalation.....	7% p.a.		7% p.a.		
IX Basis used to determine expected rate of return on assets :					
To develop the expected long-term return on assets assumption, the Company considered the current level of returns declared on its insurance policy. This resulted in the selection of the 8.50 % assumption for gratuity (funded) plan.					
X The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.					
XI Amount for the current and previous four years are as follows :					
	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	As at 31.12.2011 ₹ in crores
i) Funded					
Defined benefit obligation .....	118.42	116.79	97.46	95.09	77.91
Plan assets .....	117.02	117.93	94.73	95.09	79.61
Surplus / (deficit) .....	(1.40)	1.14	(2.73)	-	1.70
Experience adjustments on plan assets .....	(0.04)	3.29	(0.55)	0.55	3.86
Experience adjustments on plan liabilities.....	(6.07)	2.21	3.64	6.15	7.46
ii) Other non funded					
Defined benefit obligation .....	16.02	14.10	9.56	9.21	7.25
Surplus / (deficit) .....	16.02	14.10	9.56	9.21	7.25
Experience adjustments on plan liabilities.....	0.01	(0.26)	0.24	0.22	0.83
c) Amount recognised as expense in respect of compensated absences is ₹ 12.02 crores (previous year - ₹ 20.29 crores).					
d) Provident fund managed by a trust set up by the Company					
The Company has contributed ₹ 7.29 crores (previous year - ₹ 7.34 crores) towards provident fund liability. Deficit of ₹ Nil (previous year - deficit of ₹ 2.13 crores) in the accumulated corpus fund is recognised in the Statement of profit and loss. Further, considering net surplus in the accumulated corpus fund, liability of ₹ 2.13 crores provided in the previous year, has been written back.					
	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores			
Details of the fund and asset position :					
Plan assets at the year end, at fair value .....	106.57		97.25		
Present value of benefit obligation at year end .....	102.40		99.38		
Net Liability / (Asset) * .....	(4.17)		2.13		
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach are :					
Discount rate.....	7.90%		8.00%		
Interest rate guarantee .....	8.75%		8.75%		
Expected rate of return of assets.....	8.73%		8.84%		
* Only liability is recognized in the books					

## Notes to Financial Statements (Contd.)

### 33. Employee stock option schemes :

- a) The Company has provided various share based payments to its employees. During the year, following schemes were in operation :

Particulars	2008 #	2009	2010
a) Date of grant .....	01.07.2008	19.06.2009	22.04.2010
b) Date of Board approval .....	01.07.2008	06.02.2009	04.02.2010
c) Date of Shareholders approval .....	22.04.2008	06.04.2009	05.04.2010
d) Number of options granted .....	7,498,150	7,499,600	9,998,900
e) Method of settlement (cash / equity) .....	Equity	Equity	Equity
f) Vesting period from the date of grant .....	1 year	1 year	1 year
g) Exercise period from the date of vesting.....	4 years	4 years	4 years

# Includes 113,850 options in tranche 2 granted on 19th June 2009 @ ₹ 96 per option.

- b) The details of activity under the ESOS are as below :

Particulars	2015		2014	
	Number of shares	Weighted average exercise price (₹)	Number of shares	Weighted average exercise price (₹)
a) Outstanding at the beginning of the year.....	2,344,400	119.00	6,381,625	112.72
b) Forfeited during the year.....	-	-	18,650	113.14
c) Exercised during the year.....	2,151,635	119.00	3,885,500	109.50
d) Expired during the year .....	192,765	119.00	133,075	96.00
e) Outstanding at the end of the year .....	-	-	2,344,400	119.00
f) Exercisable at the end of the year .....	-	-	2,344,400	119.00
g) Weighted average remaining contractual life (in years).....	-	-	0.30	-

The weighted average share price at the date of exercise for stock option was ₹ 242.29 (previous year ₹ 208.29)

The weighted average share price for the period over which stock option were exercised was ₹ 228.84 (previous year ₹ 205.45)

- c) The details of exercise price for stock options outstanding at the year end :

As at 31.12.2015				As at 31.12.2014		
Employee stock option schemes	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)
2010.....	-	-	-	2,344,400	0.30	119.00

- d) Effect of the employee share based payment plans on the statement of profit and loss and on its financial position :

Particulars	2015 ₹ in crores	2014 ₹ in crores
Liability for employee stock options outstanding at year end .....	-	9.24

2015		2014	
₹ in crores	%	₹ in crores	%

### 34. (a) Raw materials consumed :

(i) Imported .....	70.52	8.85	103.16	12.99
(ii) Indigenous .....	726.59	91.15	691.13	87.01
Total .....	797.11	100.00	794.29	100.00

### (b) Spares consumed :

(i) Imported .....	5.88	5.36	17.54	15.67
(ii) Indigenous .....	103.87	94.64	94.40	84.33
Total .....	109.75	100.00	111.94	100.00



## Notes to Financial Statements (Contd.)

	2015 ₹ in crores	2014 ₹ in crores
<b>35. CIF value of imports :</b>		
(i) Raw materials.....	26.74	50.42
(ii) Components and spare parts.....	36.87	45.34
(iii) Capital goods.....	24.87	71.71
(iv) Fuels.....	357.42	373.63
<b>36. Expenditure in foreign currency (accrual basis) :</b>		
(i) Know-how .....	92.44	97.11
(ii) Professional Consultation Fees (including capitalised amount of ₹ Nil; previous year - ₹ 0.76 crores)	6.70	3.35
(iii) Other matters (including capitalised amount of ₹ 0.94 crores; previous year - ₹ 1.12 crores) .....	11.39	13.65
<b>37. Earnings in foreign exchange (accrual basis) :</b>		
(i) F.O.B. value of exports .....	4.81	44.12
(ii) Royalty, professional and consultation fees.....	1.01	1.24
(iii) Other.....	4.47	4.98
<b>38. Remittances in foreign currency :</b>		
<b>On account of dividend to non-resident shareholders</b>		
(i) Final Dividend		
No. of shareholders .....	188	195
No. of equity shares .....	630,448,726	630,474,705
Amount remitted, net of tax .....	201.74	138.70
Year to which it pertains .....	2014	2013
(ii) Interim Dividend		
No. of shareholders .....	176	193
No. of equity shares .....	630,368,401	630,487,628
Amount remitted, net of tax .....	100.86	113.49
Period to which it pertains .....	2015	2014
<b>39. Proposed Dividend :</b>		
The final dividend proposed for the year is as follows :		
On Equity Shares of ₹ each		
Amount of dividend proposed.....	186.23	495.92
Dividend per Equity Share (₹).....	1.20	3.20
	<b>As at 31.12.2015</b>	<b>As at 31.12.2014</b>
	<b>₹ in crores</b>	<b>₹ in crores</b>
<b>40. Disclosure of trade payables as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers.</b>		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.		
Principal .....	0.52	1.02
Interest .....	-	0.01
b) The amount of interest paid by the buyer in terms of section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year.....	3.45	10.58
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year .....	-	0.01

## Notes to Financial Statements (Contd.)

### 41. Unhedged foreign currency exposure :

Particulars			As at 31.12.2015		As at 31.12.2014	
			Foreign Currency	₹ in crores	Foreign Currency	₹ in crores
1 Trade payables and other liabilities	in CHF .....		57,567	0.38	-	-
	in DKK.....		38,400	0.04	-	-
	in EURO .....		573,308	4.14	292,190	2.25
	in GBP.....		-	-	693	0.01
	in JPY.....		3,989,886	0.22	1,887,636	0.10
	in SEK.....		86,398	0.07	86,398	0.07
	in SGD .....		3,254	0.02	-	-
	in USD.....		291,859	1.93	1,378,905	8.72
2 Trade receivables, loans & advances and other assets	in DKK.....		-	-	3,750	-
	in EURO .....		-	-	245,402	1.89
	in GBP.....		-	-	775	0.01
	in SEK.....		-	-	500	-
	in SGD .....		-	-	11,520	0.06
	in USD.....		52,092	0.34	642,087	4.06

42. The Company has, the following joint ventures and its proportionate share in the assets, liabilities, income and expenditure of the joint venture companies are given below :

	As on and for the year ended					
	31.12.2015 ₹ in crores	31.12.2014 ₹ in crores	31.12.2015 ₹ in crores	31.12.2014 ₹ in crores	31.12.2015 ₹ in crores	31.12.2014 ₹ in crores
(a) Name of the company.....	Wardha Vaalley Coal Field Private Limited		Counto Microfine Products Private Limited		OneIndia BSC Private Limited *	
(b) Country of incorporation.....	India		India		India	
(c) Percentage of share holding .....	27.27%	27.27%	50%	50%	50%	-
(d) Assets :						
Non-current assets .....	-	-	12.34	13.26	1.04	-
Current assets.....	0.19	0.01	4.92	3.96	1.08	-
Total .....	0.19	0.01	17.26	17.22	2.12	-
(e) Liabilities :						
Non-current liabilities .....	-	-	1.62	2.43	-	-
Current liabilities .....	0.60	0.27	2.71	3.30	0.71	-
Total .....	0.60	0.27	4.33	5.73	0.71	-
(f) Income .....	-	-	12.79	9.90	-	-
(g) Expenditure .....	0.16	0.16	10.62	8.63	1.09	-

\* Joint Venture w.e.f. 13.08.2015 (Refer note 53)

### 43. Operating lease :

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

44. The Company is eligible for receipt of transport subsidy on inter-state transport of raw materials, clinker and cement in certain units. Accordingly, the Company has accrued an amount and adjusted against the respective expenses as under :

	2015 ₹ in crores	2014 ₹ in crores
(i) Cost of raw materials consumed .....	0.34	2.77
(ii) Freight and forwarding expenses.....	6.80	27.37
Total .....	7.14	30.14

## Notes to Financial Statements (Contd.)

45. (a) Other income includes ₹ Nil (previous year ₹ 35.79 crores) written back towards interest on income tax relating to earlier years.  
 (b) Tax expense for earlier years represents write back upon completion of assessments and change in estimate of allowability of certain deductions.
46. The Company has incurred ₹ 40.98 crores towards Social Responsibility activities. It is included in different heads of expenses in the Statement of Profit and Loss. Further, no amount has been spent on construction / acquisition of an asset of the Company and entire spent is on cash basis.

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2015 is ₹ 34.64 crores i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

47. Disclosure in respect of Loans and advances in the nature of Loans as required under section 186 of the Companies Act, 2013.

	As at 31.12.2015		As at 31.12.2014	
	Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
	₹ in crores	₹ in crores	₹ in crores	₹ in crores
Loans and advances in the nature of loans given to subsidiaries, joint ventures and others :				
a) Dirk India Private Limited, a subsidiary company, for working capital requirement. Repayable over a period of 3 years and carries an interest rate of 12% p.a. ....	42.58	42.58	42.58	42.58
b) Chemical Limes Mundwa Private Limited, a subsidiary company, for working capital requirement. Repayable on demand and carries an interest rate of 12% p.a. ....	0.50	0.50	-	-
c) Wardha Vaalley Coal Field Private Limited, a joint venture company, for working capital requirement. Repayable on demand and carries an interest rate of 16.75% p.a. Provision has been made against this loan during current year. ....	0.83	0.83	0.54	0.54
d) Others, for financial assistance, repayable within six months from the date of disbursement, carries an interest rate of 16% p.a. ....	1.60	1.60	-	-

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
48. Capital work-in-progress includes :		
a) Machinery-in-transit .....	7.66	21.93
b) Expenditure during construction for projects as under :		
Opening balance .....	9.82	7.31
Addition during the year .....	2.12	2.51
	11.94	9.82
Less : Capitalised during the year .....	(11.94)	-
Balance included in capital work-in-progress .....	-	9.82

49. During the year 2013, the Board of Directors and members have approved the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company with effect from 1st April 2013, wherein the Company will acquire HIPL from Holderind Investments Ltd., Mauritius for a cash consideration of ₹ 3,500.00 crores and issue of 58.44 crores equity shares of ₹ 2 each at a premium of ₹ 187.66 per share. During the previous year, Hon'ble High Courts of Gujarat and New Delhi have approved the above scheme. Pending fulfilment of certain conditions precedent specified in the Scheme, no impact of amalgamation has been given in the financial statements.
50. During the year, the Board of Directors has approved the amalgamation of Dirk India Private Limited, a wholly owned subsidiary, with the Company w.e.f. 1st April, 2015, in terms of the scheme of amalgamation. Pending regulatory approvals, no effect of the proposed amalgamation has been given in the financial statements.
51. Pursuant to the enactment of the Companies Act, 2013 ('the Act'), the Company has, effective 1st January, 2015, reviewed and revised the estimated useful lives of fixed assets, as per the life indicated in the Act. Accordingly, as per the transition provisions of the Act, the Company has adjusted ₹ 106.63 crores (net of tax of ₹ 54.90 crores) in opening balance of "Surplus in the statement of profit and loss" as on 1st January, 2015, in respect of assets, whose useful life is exhausted as at 1st January, 2015. Further, as a result of this change, depreciation for the year ended 31st December, 2015 is higher by ₹ 107.79 crores.
52. Kakinada Cements Limited (KCL), a 100% subsidiary of the Company has applied for liquidation with Registrar of Companies, Gujarat under the Companies Act, 2013, and accordingly a provision of ₹ 0.10 crores, being Company's investment in KCL, has been recorded as diminution in value of investment.

## Notes to Financial Statements (Contd.)

53. During the year, the company has subscribed for ₹ 2.50 crores in equity shares of OneIndia BSC Private Limited (OIBPL). OIBPL is a joint venture company, with an equal equity participation with ACC Limited, a fellow subsidiary Company, created with aim to provide business shared services.
54. During the year, the Company has made provision of ₹ 52.08 crores towards contribution to District Mineral Foundation and National Mineral Exploration Trust as per The Mines and Mineral (Development and Regulation) Amendment Act, 2015.
55. Figures below ₹ 50,000 have not been disclosed.
56. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

### Signatures to Notes 1 to 56

As per our attached report of even date		For and on behalf of the Board	
For S R B C & CO LLP	Suresh Joshi	N.S. Sekhsaria	Rajendra P. Chitale
Chartered Accountants	Chief Financial Officer	Chairman	Chairman - Audit Committee
ICAI Firm Registration No. 324982E	Rajiv Gandhi	Bernard Terver	Eric Olsen
per Ravi Bansal	Company Secretary	Vice Chairman	Director
Partner		Omkar Goswami	Nasser Munjee
Membership No. 49365		Director	Director
		Shailesh Haribhakti	Haigreva Khaitan
		Director	Director
		B.L. Taparia	Christof Hassig
		Director	Director
		Ajay Kapur	
		Managing Director &	
		Chief Executive Officer	

Mumbai, 10th February, 2016

# Independent Auditor's Report

To the Members of  
Ambuja Cements Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ambuja Cements Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the consolidated Balance Sheet as at December 31, 2015, 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 (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 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 financial control relevant to the Holding Company's preparation 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 of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## 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 of the consolidated state of affairs of the Group, and jointly controlled entities as at December 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, and jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that :
  - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on December 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and jointly controlled companies incorporated in India, none of the directors of the Group's companies and jointly controlled companies incorporated in India is disqualified as on 31st December, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and jointly controlled entities – Refer note 29 to 31 to the consolidated financial statements;
  - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled companies incorporated in India.

**Other Matter**

- (a) The accompanying consolidated financial statements include total assets of ₹ 50.54 crores as at December 31, 2015, and total revenues and net cash outflows of ₹ 19.91 crores and ₹ 0.66 crore for the year ended on that date, in respect of five subsidiaries, and two jointly controlled entities, which have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E

per Ravi Bansal

Partner

Membership Number : 49365

Place of Signature : Mumbai

Date : 10 February 2016

**Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re : The Group, comprising Ambuja Cements Limited ('Holding Company') and its subsidiaries, and jointly controlled entities incorporated in India and to whom the provisions of the Order apply (subsidiaries and jointly controlled entities together referred to as the "Covered entities" in this report)

- (i) (a) In our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Holding Company and Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Certain Covered entities do not have any fixed assets and therefore, the provisions of clause 3(i) (a) of the Order are not applicable to them.
- (b) The Holding Company and Covered entities of the Group have a programme for physical verification on a rotational basis, which, in our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, is reasonable having regards to the size of the Group and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management of the Holding Company and the Covered entities of the Group during the year and no material discrepancies were noticed on such verification. Certain Covered Entities do not have any fixed assets and therefore, the provisions of clause 3(i)(b) of the Order are not applicable to them.
- (ii) (a) The management of the Holding Company and Covered entities of the Group have conducted physical verification of inventory at reasonable intervals during the year. The business of certain Covered entities does not involve inventories and, accordingly the requirements of clause 3(ii)(a) of the Order are not applicable to them.
- (b) In our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and Covered entities of the Group and the nature of their business. The business of certain Covered entities does not involve inventories and, accordingly the requirements of clause 3(ii)(b) of the Order are not applicable to them.
- (c) In our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Holding Company and certain Covered entities of the Group are maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account of the Holding Company and the Covered entities of the Group. The business of certain Covered entities does not involve inventories and, accordingly the requirements of clause 3(ii)(c) of the Order are not applicable to them.
- (iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Holding Company and the Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and the Covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities of the Group and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding Company and the Covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) In our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company and based on the report of other auditors who audited the financial statements of Covered entities of the Group, to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors. For certain Covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products of such other Covered entities of the Group.
- (vii) (a) According to the records of the Holding Company and the Covered entities of the Group and as reported by the other auditors who audited the financial statements of the Covered entities of the Group undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable to the respective covered entities, have generally been regularly deposited with appropriate authorities
- (b) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and the Covered entities of the Group.

- (c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows :

(₹ in crores)

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending				Total
			Commiss- ionerate	Appellate authorities and Tribunals	High Courts	Supreme Court	
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Demand of Sales Tax / Additional Purchase Tax	1988-2014	23.03	10.38	96.80	107.75	237.96
Customs Act, 1962	Demand of Customs duty, Interest and Penalty	2000-2013	1.59	40.10	-	-	41.69
Central Excise Act, 1944	Demand of excise duty, Denial of Cenvat Credit, Interest and Penalty	1993-2011	5.84	22.09	0.75	2.16	30.84
Finance Act, 1994	Denial of Service Tax Credit and Penalty	2005-2011	1.44	25.54	0.01	-	26.99
Chhattisgarh Upkar (Sanshodhan Adhiniyam), 2004	Cess on Electricity Generation	2006-2015	-	-	-	23.03	23.03
Rajasthan Finance Act, 2008	Environment Cess	2008-2015	-	-	13.77	-	13.77
The Punjab Prohibition of Cow Slaughter Act, 1955	Cow Cess	2014-2015	-	-	2.22	-	2.22
Income Tax Act, 1961	Demand of interest on TDS	2011-2012	1.55	-	-	-	1.55
<b>Total</b>			<b>33.45</b>	<b>98.11</b>	<b>113.55</b>	<b>132.94</b>	<b>378.05</b>

Amounts given above are net of amounts deposited

- (d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of Covered entities, of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time by the Holding Company and Covered entities of the Group to the extent applicable to them.
- (viii) In our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Holding Company and certain Covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year. Further, basis our audit and the reports of other auditors who audited the financial statements of certain covered entities (a) certain Covered Entities have been incorporated for less than five years and hence we are not required to comment under clause (viii) of the Order, (b) certain Covered entities have accumulated losses in excess of fifty percent of their respective net worth, (c) certain covered entities have incurred cash losses while other haven't incurred cash losses in the current year, (d) certain covered entities have incurred cash losses while other haven't incurred cash losses in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements of Covered entities of the Group, we are of the opinion that the Covered entities of the Group have not defaulted in their repayment of dues to a financial institution and banks. In our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Holding Company and the Covered entities of the Group have not issued any debentures.
- (x) According to the information and explanations given to us by the management and as reported by the other auditors who audited the financial statements of Covered entities of the Group, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management and as reported by the other auditors who audited the financial statements of Covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the Covered entities of the Group.
- (xii) To the best of our knowledge, and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of Covered entities of the Group, which we have relied upon, no fraud by the Holding Company and the Covered entities of the Group and no material fraud on the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number : 324982E

per Ravi Bansal  
Partner  
Membership Number : 49365  
Place of Signature : Mumbai  
Date : 10 February 2016



# Consolidated Balance Sheet

As at 31st December, 2015

	Note	₹ in crores	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital.....	3	310.38		309.95
Reserves and surplus.....	4	9,961.02		9,760.02
			10,271.40	10,069.97
<b>Minority interest.....</b>			0.72	0.72
<b>Non-current liabilities</b>				
Long-term borrowings.....	5	23.55		31.61
Deferred tax liabilities (net) .....	6	565.60		589.04
Other long-term liabilities.....	7	5.99		9.22
Long-term provisions .....	8	36.17		33.31
			631.31	663.18
<b>Current liabilities</b>				
Short-term borrowings.....	9	0.30		0.15
Trade payables				
Micro enterprises and small enterprises (Refer note 37) .....		0.52		1.02
Others .....		679.32		621.24
Other current liabilities .....	10	1,464.88		1,345.93
Short-term provisions .....	8	1,084.51		1,176.28
			3,229.53	3,144.62
TOTAL .....			14,132.96	13,878.49
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets.....	11	6,122.38		6,261.68
Intangible assets .....	11	47.79		47.95
Capital work-in-progress (Refer note 42).....		416.42		692.14
			6,586.59	7,001.77
Non-current investments .....	12	29.60		29.60
Deferred tax assets (net).....		-		0.02
Long-term loans and advances.....	13	713.30		552.27
Other non-current assets .....	14.2	282.48		292.12
			1,025.38	874.01
<b>Current assets</b>				
Current investments .....	15	2,119.23		2,067.00
Inventories.....	16	897.76		889.97
Trade receivables.....	14.1	290.46		231.65
Cash and bank balances.....	17	2,853.32		2,462.28
Short-term loans and advances.....	13	305.72		310.23
Other current assets .....	14.2	54.50		41.58
			6,520.99	6,002.71
TOTAL .....			14,132.96	13,878.49
Significant accounting policies .....	2			

As per our attached report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E

per Ravi Bansal  
Partner  
Membership No. 49365

Suresh Joshi  
Chief Financial Officer  
Rajiv Gandhi  
Company Secretary

N. S. Sekhsaria  
Chairman  
Bernard Terver  
Vice Chairman  
Omkar Goswami  
Director  
Shailesh Haribhakti  
Director  
B.L. Taparia  
Director  
Ajay Kapur  
Managing Director &  
Chief Executive Officer

For and on behalf of the Board

Rajendra P. Chitale  
Chairman - Audit Committee  
Eric Olsen  
Director  
Nasser Munjee  
Director  
Haigreve Khaitan  
Director  
Christof Hassig  
Director

Mumbai, 10th February, 2016

# Consolidated Statement of Profit and Loss

For the year ended 31st December, 2015

			2015	2014
	Note	₹ in crores	₹ in crores	₹ in crores
<b>Revenue</b>				
Sale of products (gross) .....		10,691.19		11,192.13
Less : Excise duty .....		1,303.19		1,261.59
Sale of products (net) .....			9,388.00	9,930.54
Other operating revenues .....	18		93.34	69.13
Revenue from operations (net) .....			9,481.34	9,999.67
Other income .....	19		353.22	424.33
Total revenue .....			9,834.56	10,424.00
<b>Expenses</b>				
Cost of raw materials consumed .....	20		801.44	799.90
Purchase of Stock-in-Trade .....			4.20	40.59
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade .....	21		25.40	16.22
Employee benefits expense .....	22		594.05	586.33
Power and fuel .....			2,057.51	2,268.64
Freight and forwarding expenses .....	23		2,511.78	2,443.50
Finance costs .....	24		92.47	65.55
Depreciation and amortisation expense .....	25		629.76	513.03
Other expenses .....	26		1,948.79	1,924.26
			8,665.40	8,658.02
Self consumption of cement (net of excise duty ₹ 0.48 crore; previous year ₹ 0.99 crore) .....			(4.09)	(8.04)
Total expenses .....			8,661.31	8,649.98
Profit before tax .....			1,173.25	1,774.02
Tax expense :				
For the current year				
Current tax .....		334.00		478.00
Deferred tax .....		(24.21)		(14.85)
		309.79		463.15
Relating to earlier years				
Current tax (Refer note 40 (b)) .....		(0.11)		(215.63)
Deferred tax .....		55.69		39.99
		55.58		(175.64)
			365.37	287.51
Profit for the year .....			807.88	1,486.51
Minority interest .....			-	(0.01)
			807.88	1,486.50
			2015	2014
			₹	₹
Earnings per equity share of ₹ 2 each .....	27			
Basic .....			5.21	9.61
Diluted .....			5.21	9.60
Significant accounting policies .....	2			
The accompanying notes are integral part of the financial statements.				

As per our attached report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E

per Ravi Bansal  
Partner  
Membership No. 49365

Suresh Joshi  
Chief Financial Officer  
Rajiv Gandhi  
Company Secretary

N.S. Sekhsaria  
Chairman  
Bernard Terver  
Vice Chairman  
Omkar Goswami  
Director  
Shailesh Haribhakti  
Director  
B.L. Taparia  
Director  
Ajay Kapur  
Managing Director &  
Chief Executive Officer

For and on behalf of the Board

Rajendra P. Chitale  
Chairman - Audit Committee  
Eric Olsen  
Director  
Nasser Munjee  
Director  
Haigreve Khaitan  
Director  
Christof Hassig  
Director

Mumbai, 10th February, 2016

# Consolidated Cash Flow Statement

For the year ended 31st December, 2015

	2015	2014
	₹ in crores	₹ in crores
<b>Cash flows from operating activities</b>		
Profit before tax .....	1,173.25	1774.02
Adjustment for :		
Depreciation and amortisation expense.....	629.76	513.03
Loss on assets sold, discarded and written off (net).....	25.84	5.35
Dividend from Mutual Fund.....	-	(59.58)
Profit on sale of current investments .....	(148.20)	(92.45)
Finance costs.....	92.47	65.55
Interest income .....	(193.98)	(226.56)
Interest on income tax written back (Refer note 40 (a)) .....	-	(35.79)
Provision for slow and non moving spares.....	5.27	7.30
Discounting income on pre-payment of sales tax loan .....	(6.90)	(5.93)
Unrealised exchange (gain) / loss, net.....	0.24	0.29
Provisions no longer required written back.....	(19.32)	(8.20)
Inventories written off.....	6.56	3.98
Bad debts, sundry debit balances and claims written off .....	0.76	0.68
Provision for doubtful debts and advances (net).....	2.35	0.13
Other non cash items.....	13.17	7.65
	<b>408.02</b>	175.45
<b>Operating profit before working capital changes.....</b>	<b>1,581.27</b>	1,949.47
Adjustment for :		
Trade receivables, loans & advances and other assets.....	(93.71)	(157.23)
Inventories .....	(19.61)	35.16
Trade payables, other liabilities and provisions.....	130.79	137.03
	<b>17.47</b>	14.96
Cash generated from operations .....	1,598.74	1,964.43
Direct taxes paid (net of refunds ₹ 519.81 crores; previous year ₹ 279.84 crores) .....	(42.19)	(288.97)
<b>Net cash flow from operating activities (A).....</b>	<b>1,556.55</b>	1,675.46
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital work in progress and capital advances .....	(623.74)	(824.51)
Proceeds from sale of fixed assets .....	4.55	3.28
Inter corporate deposits and loans given to joint ventures.....	(0.21)	(0.19)
Proceeds from sale / maturity of current investments (net).....	148.20	92.45
Unclaimed sale proceeds of the odd lot shares of erstwhile Ambuja Cement Eastern Limited (ACEL) and Ambuja Cements Rajasthan Limited (ACRL) .....	(0.01)	(0.06)
Investments in bank deposits (having original maturity of more than three months).....	(5.73)	(10.42)
Redemption / maturity of bank deposits (having original maturity of more than three months).....	131.11	0.39
Dividend received.....	-	59.58
Interest received .....	201.94	189.94
Interest received on Income tax .....	61.30	33.58
<b>Net cash flow used in investing activities (B).....</b>	<b>(82.59)</b>	(455.96)
Carried forward .....	1,473.96	1,219.50

## Consolidated Cash Flow Statement (Contd.)

	2015	2014
	₹ in crores	₹ in crores
Brought forward.....	1,473.96	1,219.50
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium) .....	25.60	42.51
Proceeds from long-term borrowings .....	3.59	-
Proceeds from short-term borrowings.....	0.19	-
Repayment of long-term borrowings.....	(2.77)	(13.22)
Repayment of short-term borrowings .....	(0.04)	(1.02)
Discounting income on pre-payment of sales tax loan .....	6.90	5.93
Interest paid .....	(39.61)	(32.93)
Dividend paid on equity shares.....	(744.35)	(617.30)
Tax on equity dividend paid.....	(149.70)	(105.16)
<b>Net cash flow used in financing activities (C).....</b>	<b>(900.19)</b>	<b>(721.19)</b>
<b>Net increase in cash and cash equivalents (A + B + C) .....</b>	<b>573.77</b>	<b>498.31</b>
Cash and cash equivalents at the end of the year .....	5,036.64	4,462.87
Cash and cash equivalents at the beginning of the year.....	4,462.87	3,964.56
<b>Net increase in cash and cash equivalents .....</b>	<b>573.77</b>	<b>498.31</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand.....	0.37	0.26
With banks		
In current account .....	158.54	137.97
In deposit account.....	2,634.25	2,133.25
Fixed deposit held as security .....	35.91	166.41
Earmarked for specific purposes (Refer note 2 below).....	24.25	24.39
Cash and bank balance as per note 17 .....	2,853.32	2,462.28
Less : Fixed deposits not considered as cash and cash equivalents .....	(35.91)	(166.41)
Add : Fixed Deposits with Housing Development Finance Corporation Limited .....	100.00	100.00
Add : Investment in mutual funds .....	2,119.23	2,067.00
<b>Cash and cash equivalents at the year end .....</b>	<b>5,036.64</b>	<b>4,462.87</b>

### Notes :

- 1) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2) These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACCL and ACRL.

Significant accounting policies - Note 2

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E

per Ravi Bansal  
Partner  
Membership No. 49365

Suresh Joshi  
Chief Financial Officer  
Rajiv Gandhi  
Company Secretary

N.S. Sekhsaria  
Chairman  
Bernard Terver  
Vice Chairman  
Omkar Goswami  
Director  
Shailesh Haribhakti  
Director  
B.L. Taparia  
Director  
Ajay Kapur  
Managing Director &  
Chief Executive Officer

For and on behalf of the Board

Rajendra P. Chitale  
Chairman - Audit Committee  
Eric Olsen  
Director  
Nasser Munjee  
Director  
Haigreve Khaitan  
Director  
Christof Hassig  
Director

Mumbai, 10th February, 2016

## Notes to Consolidated Financial Statements

### 1. Basis of Preparation of Consolidated Financial Statements :

- i. The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.
- ii. The consolidated financial statements are based on historical cost and are prepared on accrual basis.
- iii. The consolidated financial statements comprise the financial statements of Ambuja Cements Limited (the Company) and its subsidiaries. The Company and its subsidiaries constitute the Group. Reference in these notes to the 'Company' shall mean to include Ambuja Cements Limited and / or any of its subsidiaries, consolidated in these financial statements unless otherwise stated.
- iv. Accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except in case of depreciation (Refer note 45).
- v. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.
- vi. Principles of consolidations :
  - a. The Subsidiaries and Joint Ventures considered in the preparation of these consolidated financial statements are :

Name of the Company	Country of Incorporation	Holding as on		Financial year ended
		31.12.2015	31.12.2014	
Subsidiary :				
Kakinada Cements Limited	India	100.00%	100.00%	31.12.2015
M.G.T Cements Private Limited	India	100.00%	99.99%	31.12.2015
Chemical Limes Mundwa Private Limited	India	100.00%	99.99%	31.12.2015
Dang Cement Industries Private Limited	Nepal	91.63%	91.63%	16.07.2015
Dirk India Private Limited	India	100.00%	100.00%	31.03.2015
Dirk Pozzocrete (MP) Private Limited (a 100% subsidiary of Dirk India Private Limited)	India		*	*
Joint Venture :				
Wardha Vaalley Coal Field Private Limited	India	27.27%	27.27%	31.03.2015
Counto Microfine Products Private Limited	India	50.00%	50.00%	31.03.2015
OneIndia BSC Private Limited**	India	50.00%		31.12.2015

\* Amalgamated with Dirk India Private Limited with effect from 1st April, 2013, in the previous year.

\*\* Joint Venture with effect from 13.08.2015 (Refer note 48)

- b. The consolidated financial statements of the Group have been prepared on the following basis :
  - i. The consolidated financial statements of the Group are prepared in accordance with Accounting Standard - 21 "Consolidated financial statements", Accounting Standard - 23 "Accounting for Investments in Associates in consolidated financial statements" and Accounting Standard - 27 "Financial Reporting of Interests in Joint Ventures"
  - ii. The financial statements of the Company, its Subsidiary Companies and Joint Ventures (proportionate consolidation method) 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 eliminating intra-group balances and intra-group transactions and unrealised profits or unrealised losses.
  - iii. In cases where the financial year of Subsidiary and Joint Venture Companies is different from that of the Company, the consolidated financial statements of the said companies have been drawn up so as to be aligned with the financial year of the Company.
  - iv. 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 Company's Standalone financial statements.
  - v. The excess of cost of investment in the Subsidiary and Joint Venture Companies over the Company's portion of equity of the Subsidiary and Joint Venture at the date of investment made is recognised in the consolidated financial statements as goodwill. This goodwill is tested for impairment at the close of each financial year. The excess of Company's portion of equity of the Subsidiary and Joint Venture over the cost of the investment therein is treated as Capital Reserve.
  - vi. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. For non-integral foreign operation, the assets and liabilities are translated at the closing rate. Income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in a foreign currency translation reserve on consolidation until the disposal of the net investment.

## Notes to Consolidated Financial Statements (Contd.)

### 2. Significant Accounting Policies :

#### a. Fixed Assets :

- i. Fixed Assets are stated at their original cost of acquisition / installation (net of Modvat / Cenvat credit availed), net of accumulated depreciation, amortisation and impairment losses, except freehold nonmining land which is carried at cost less impairment losses.
- ii. Capital work in progress is stated at the amount expended up to the date of Balance Sheet.
- iii. Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost net of Modvat / Cenvat.
- iv. Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets, and are included under Capital work-in-progress. These expenses are apportioned to fixed assets on commencement of commercial production.

#### b. Depreciation and Amortisation :

##### I. Tangible Assets :

- i. Premium on leasehold land is amortised over the period of lease.
- ii. Depreciation is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013, for Captive Power Plant related assets (consisting of Buildings and Plant & Machinery) based on "Written Down Value Method" and for other assets based on "Straight Line Method".

Continuous process plants are identified based on technical assessment and depreciated at the specified rate as per Schedule II to the Companies Act, 2013.

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

- iii. Machinery spares, which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to the statement of profit and loss, on issue for consumption.
- iv. Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.
- v. Fixed assets, constructed by the Company, but ownership of which vests with the Government / Local Authorities :
  - a) Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003 as applicable.
  - b) Expenditure on Marine structures is depreciated over the period of the agreement.
  - c) Expenditure on other fixed assets is depreciated at the rate of depreciation specified in Schedule II to the Companies Act, 2013.

##### II. Intangible Assets :

- i. Expenditure to acquire Water drawing rights from Government / Local Authorities / other parties is amortised on straight line method over the period of rights to use the facilities ranging from ten to thirty years.
- ii. Expenditure on Computer software is amortised on straight line method over the period of expected benefit not exceeding five years.

#### c. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

#### d. Investments :

##### i. Recognition and Measurement

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

##### ii. Presentation and Disclosure

Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

## Notes to Consolidated Financial Statements (Contd.)

### e. Inventories :

Inventories are valued as follows :

- i. Coal, fuel, packing materials, raw materials, stores and spares :

Lower of cost less provision for slow and non-moving inventory, if any, and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

- ii. Work-in-progress, finished goods, stock in trade and trial run inventories :

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### f. Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

### g. Foreign Currency Conversion :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or expenses in the year in which they arise.

### h. Revenue recognition :

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

- i. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of date of Bill of Lading. Sales are disclosed net of sales tax / value added tax, discounts and sales returns, as applicable. Sales exclude self-consumption of cement.
- ii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when right to receive is established by the Balance Sheet date.

### i. Mines Reclamation Expenses :

The Company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

### j. Employee Benefits :

- i. Defined Contribution Plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year in which the employee renders the related service.

- ii. Defined Benefit Plan

Retirement benefits in the form of gratuity, post-retirement medical benefit and death & disability benefit are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains / losses, if any, are recognised in the statement of profit and loss.

Employee Benefit, in the form of contribution to Provident Fund managed by a Trust set up by the Company, is charged to statement of profit and loss for the year in which the employee renders the related service. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.

- iii. Other long-term benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

### k. Employee Stock Compensation cost :

The Company measures compensation cost relating to employee stock option using the fair value method. Discount on Equity Shares as compensation expenses under the Employee Stock Option Scheme, is amortised in accordance with Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India.

## Notes to Consolidated Financial Statements (Contd.)

### **l. Borrowing Costs and Share Issue Expenses :**

- i. Borrowing cost attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use.
- ii. Expenses on issue of Shares, Debentures and Bonds as well as Premium on Redemption of Debentures are adjusted to Securities Premium Account in accordance with the Companies Act, 2013.
- iii. Borrowing cost such as discount or premium and ancillary costs in connection with arrangement of borrowings are amortised over the period of borrowings.
- iv. Other borrowing costs are charged as expense in the year in which these are incurred.

### **m. Taxation :**

Tax expense comprises of current income and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised 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.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

### **n. Leases :**

Where the Company is the lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor :

- i. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.
- ii. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

### **o. Segment Reporting Policies :**

- i. Identification of segments

The Company has only one business segment 'Cementitious Materials' as its primary segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- ii. Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Company as a whole.

### **p. Cash and Bank Balances :**

- i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash on hand.
- ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

### **q. Government Grants and Subsidies :**

- i. Grants and subsidies from the Government are recognised when there is reasonable certainty that the grant / subsidy will be received and all attaching conditions will be complied with.
- ii. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.
- iii. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.
- iv. Government grants in the nature of Promoters' contribution are credited to capital reserve and treated as a part of Shareholders' Funds.

### **r. Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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



## Notes to Consolidated Financial Statements (Contd.)

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>3. Share capital</b>		
<b>Authorised</b>		
2,500,000,000 (previous year - 2,500,000,000) Equity shares of ₹ 2 each .....	500.00	500.00
150,000,000 (previous year - 150,000,000) Preference shares of ₹ 10 each .....	150.00	150.00
Total .....	650.00	650.00
<b>Issued</b>		
1,552,223,941 (previous year - 1,550,072,306) Equity shares of ₹ 2 each fully paid-up.....	310.45	310.02
<b>Subscribed and fully paid up</b>		
1,551,897,421 (previous year - 1,549,745,786) Equity shares of ₹ 2 each fully paid-up.....	310.38	309.95

### Additional information :

	As at 31.12.2015		As at 31.12.2014	
	No. of shares	₹ in crores	No. of shares	₹ in crores
<b>a) Reconciliation of equity shares outstanding</b>				
At the beginning of the year .....	1,549,745,786	309.95	1,545,860,286	309.17
Add : Issued against Employee Stock Option Schemes (ESOS) ..	2,151,635	0.43	3,885,500	0.78
At the end of the year .....	1,551,897,421	310.38	1,549,745,786	309.95

### b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>c) Equity shares held by holding company, ultimate holding company and their subsidiaries</b>		
i) Holderind Investments Limited, Mauritius (HIL), the holding company (Refer note 43)		
629,638,433 (previous year - 629,638,433) Equity shares of ₹ 2 each fully paid-up.....	125.93	125.93
ii) Holcim (India) Private Limited (HIPL), a fellow subsidiary (Refer note 43)		
150,670,120 (previous year - 150,670,120) Equity shares of ₹ 2 each fully paid-up.....	30.13	30.13

	As at 31.12.2015		As at 31.12.2014	
	No. of shares	% holding	No. of shares	% holding
<b>d) Details of equity shares held by shareholders holding more than 5% shares in the Company</b>				
i) Holderind Investments Limited, Mauritius (Refer note 43) ..	629,638,433	40.57%	629,638,433	40.63%
ii) Holcim (India) Private Limited (Refer note 43) .....	150,670,120	9.71%	150,670,120	9.72%
iii) Life Insurance Corporation of India .....	124,434,343	8.02%	100,206,061	6.47%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

<b>e)</b> Outstanding employee stock options exercisable into Nil (previous year - 2,344,400) equity shares of ₹ 2 each fully paid up (Refer note 34).	
<b>f)</b> Outstanding tradable warrants and right shares kept in abeyance exercisable into 186,690 (previous year - 186,690) and 139,830 (previous year - 139,830) equity shares of ₹ 2 each fully paid-up respectively.	

## Notes to Consolidated Financial Statements (Contd.)

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>4. Reserves and surplus</b>		
<b>Subsidies :</b>		
a) Cash subsidies from Government and other authorities :		
Balance as per the last financial statements .....	5.28	5.13
Addition during the year .....	-	0.15
Repayment during the year .....	0.15	-
	5.13	5.28
b) Grant-in-aid subsidy from DANIDA .....	0.12	0.12
	5.25	5.40
<b>Capital reserve .....</b>	<b>132.35</b>	<b>132.35</b>
<b>Capital redemption reserve .....</b>	<b>9.93</b>	<b>9.93</b>
<b>Securities premium account :</b>		
Balance as per the last financial statements .....	1,474.67	1,423.92
Add : Employee stock options exercised during the year .....	25.17	41.77
Add : Transferred from employee stock options outstanding .....	8.47	8.98
	1,508.31	1,474.67
<b>Employee stock options outstanding :</b>		
Balance as per the last financial statements .....	9.24	18.27
Less : Transferred to securities premium account on exercise of employee stock options .....	8.47	8.98
Less : Transferred to general reserve on lapse of employee stock options .....	0.77	0.05
	-	9.24
<b>General Reserve :</b>		
Balance as per the last financial statements .....	6,187.28	6,037.23
Add : Transferred from surplus balance in the statement of profit and loss .....	-	150.00
Add : Transferred from employee stock options outstanding for lapsed employee stock options .....	0.77	0.05
	6,188.05	6,187.28
<b>Surplus in the statement of profit and loss :</b>		
Balance as per the last financial statements .....	1,941.15	1,525.77
Less : Adjustment for Depreciation and amortization expense (Refer note 45) .....	(108.91)	-
Add : Profit for the year .....	807.88	1,486.50
Less : Appropriations		
Interim equity dividend - ₹ 1.60 per equity share (previous year - ₹ 1.80) per equity share .....	(248.30)	(278.69)
Tax on interim equity dividend .....	(50.55)	(47.36)
Proposed final equity dividend - ₹ 1.20 per equity share (previous year - ₹ 3.20) per equity share (Refer note 35) .....	(186.23)	(495.92)
Tax on proposed final equity dividend .....	(37.91)	(99.15)
Transfer to general reserve .....	-	(150.00)
	(522.99)	(1,071.12)
	2,117.13	1,941.15
<b>Total .....</b>	<b>9,961.02</b>	<b>9,760.02</b>

## Notes to Consolidated Financial Statements (Contd.)

	Non-current		Current	
	As at	As at	As at	As at
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	₹ in crores	₹ in crores	₹ in crores	₹ in crores
<b>5. Long-term borrowings</b>				
<b>Secured</b>				
Interest free loan from State Government <sup>a</sup> .....	9.45	5.86	-	-
Term loan from bank <sup>b</sup> .....	0.87	2.46	-	2.27
<b>Unsecured</b>				
Sales tax deferment loan <sup>c</sup> .....	13.23	23.29	11.15	-
Total .....	23.55	31.61	11.15	2.27
Less : Amount disclosed under the head Other current liabilities (Refer note 10) .....	-	-	(11.15)	(2.27)
Total .....	23.55	31.61	-	-
a) Secured by bank guarantee and repayable as below :				
₹ 5.86 crores on 27th February, 2020.				
₹ 3.59 crores on 18th August, 2022.				
b) Term loan from banks includes :				
a) loan carrying floating interest rate @ 11 % p.a., secured against assets of a joint venture, repayable in monthly instalment ranging from ₹ 0.03 crore to ₹ 0.10 crore.				
b) loan carrying floating interest rate @ 14.50 p.a., secured against assets of a subsidiary, repayable in monthly instalment of ₹ 0.05 crore. This loan has been repaid during the year.				
c) Sales tax deferment loan is interest free and payable in 10 annual installments starting from April 2007 to April 2017 of varying amounts from ₹1.52 crores to ₹ 13.23 crores.				
			As at 31.12.2015	As at 31.12.2014
			₹ in crores	₹ in crores
<b>6. Deferred tax liabilities (net)</b>				
<b>Deferred tax liabilities, on account of :</b>				
Depreciation and amortisation .....	732.86	723.47		
Total .....	732.86	723.47		
<b>Deferred tax assets, on account of :</b>				
Employee benefits .....	33.91	32.43		
Provision for slow and non moving spares .....	12.85	10.84		
Expenditure debited in Statement of Profit & Loss but allowed for tax purposes in the following years .....	29.25	23.88		
Others .....	91.25	67.28		
Total .....	167.26	134.43		
Deferred tax liabilities (net) .....	565.60	589.04		
<b>7. Other long-term liabilities</b>				
Liability for capital expenditure.....	2.81	3.38		
Others .....	3.18	5.84		
Total .....	5.99	9.22		

## Notes to Consolidated Financial Statements (Contd.)

	Long-term		Short-term	
	As at	As at	As at	As at
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	₹ in crores	₹ in crores	₹ in crores	₹ in crores
<b>8. Provisions</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity and staff benefit schemes .....	17.87	16.79	0.44	0.22
Provision for compensated absences .....	-	-	82.68	78.39
	17.87	16.79	83.12	78.61
<b>Other provisions</b>				
Provision for Income tax, net of advances .....	-	-	777.25	502.60
Provision for mines reclamation expenses* .....	18.30	16.52	-	-
Proposed equity dividend .....	-	-	186.23	495.92
Provision for tax on proposed equity dividend .....	-	-	37.91	99.15
	18.30	16.52	1,001.39	1,097.67
Total .....	36.17	33.31	1,084.51	1,176.28
			As at	As at
			31.12.2015	31.12.2014
			₹ in crores	₹ in crores
* Movement during the year				
Opening balance .....			16.52	15.35
Add : Provision during the year .....			2.63	3.23
			19.15	18.58
Less : Utilisation during the year .....			0.85	2.06
Closing balance .....			18.30	16.52
Mines reclamation expenses are incurred on an ongoing basis until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.				
<b>9. Short-term borrowings</b>				
Secured Cash Credit facility .....			0.30	0.15
Total .....			0.30	0.15
<b>10. Other current liabilities</b>				
Current maturities of long-term borrowing (Refer note 5) .....			11.15	2.27
Interest accrued but not due on Borrowings .....			0.05	0.05
Unclaimed dividends** .....			21.70	21.83
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL ** .....			2.55	2.56
Liability for capital expenditure .....			55.33	126.12
Security deposits .....			305.56	296.94
Advance received from customers .....			51.59	62.39
Statutory dues .....			251.74	249.26
Other Payables (including Rebates to customers, Employees dues, etc.) .....			765.21	584.51
Total .....			1,464.88	1,345.93

\*\* Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates.

## Notes to Consolidated Financial Statements (Contd.)

### 11. Tangible and Intangible assets

11. Tangible and Intangible assets																	₹ in crores		
Tangible assets																	Intangible assets		
	Freehold non mining land	Freehold mining land	Leasehold land	Buildings, roads and water works	Marine structures	Plant and machinery	Railway sidings and locomotives (d)	Furniture and fixtures	Office equipment	Ships	Vehicles	Total	Water drawing rights	Computer software	Goodwill	Total			
Gross carrying value, at cost																			
Opening as on 1st January, 2014	337.84	363.17	127.18	1,592.63	95.58	7,675.58	77.95	44.13	128.74	248.72	123.49	10,815.01	6.18	61.65	46.15	113.98			
Additions.....	10.98	39.77	8.89	127.35	-	473.06	6.20	2.89	15.39	0.28	6.16	690.97	-	-	1.22	1.22			
Deductions / Transfers.....	2.24	-	-	0.38	-	70.66	-	0.42	9.78	0.07	4.02	87.57	-	-	-	-			
As at 31st December, 2014.....	346.58	402.94	136.07	1,719.60	95.58	8,077.98	84.15	46.60	134.35	248.93	125.63	11,418.41	6.18	61.65	47.37	115.20			
Additions.....	2.89	48.65	1.88	143.56	2.88	456.60	-	5.08	15.19	1.37	10.12	688.22	-	-	-	-			
Deductions / Transfers.....	2.23	0.14	-	0.64	-	89.81	-	0.17	3.66	0.23	5.81	102.69	-	-	-	-			
As at 31st December, 2015.....	347.24	451.45	137.95	1,862.52	98.46	8,444.77	84.15	51.51	145.88	250.07	129.94	12,003.94	6.18	61.65	47.37	115.20			
Depreciation / amortisation																			
Opening as on 1st January, 2014	-	36.14	17.25	313.26	63.55	3,975.14	36.40	27.25	71.56	105.67	68.89	4,715.11	5.81	61.32	-	67.13			
Charge for the year (e).....	-	0.88	2.96	55.11	3.82	408.49	3.64	2.50	14.39	10.80	10.32	512.91	0.02	0.10	-	0.12			
Deductions / Transfers.....	-	-	-	0.10	-	58.98	-	0.23	8.71	0.06	3.21	71.29	-	-	-	-			
As at 31st December, 2014.....	-	37.02	20.21	368.27	67.37	4,324.65	40.04	29.52	77.24	116.41	76.00	5,156.73	5.83	61.42	-	67.25			
Charge for the year (e).....	-	4.65	3.15	155.10	6.70	557.90	11.99	4.51	33.45	7.52	8.44	793.41	0.02	0.14	-	0.16			
Deductions / Transfers.....	-	0.14	-	0.29	-	58.92	-	0.16	3.56	0.17	5.34	68.58	-	-	-	-			
As at 31st December, 2015.....	-	41.53	23.36	523.08	74.07	4,823.63	52.03	33.87	107.13	123.76	79.10	5,881.56	5.85	61.56	-	67.41			
Net carrying value																			
As at 31st December, 2014.....	346.58	365.92	115.86	1,351.33	28.21	3,753.33	44.11	17.08	57.11	132.52	49.63	6,261.68	0.35	0.23	47.37	47.95			
As at 31st December, 2015.....	347.24	409.92	114.59	1,339.44	24.39	3,621.14	32.12	17.64	38.75	126.31	50.84	6,122.38	0.33	0.09	47.37	47.79			

#### Notes :

- (a) Includes :
- Premises on ownership basis of ₹ 102.37 crores (previous year - ₹ 101.84 crores) and ₹ 17.80 crores (previous year - ₹ 16.20 crores) being the depreciation thereon upto 31st December, 2015 and cost of shares in co-operative societies are ₹ 12,630 (previous year - ₹ 12,630).
  - ₹ 28.86 crores (previous year - ₹ 27.47 crores) being cost of roads constructed by the Company, the ownership of which vests with the Government / Local Authorities and ₹ 14.46 crores (previous year - ₹ 3.41 crores) being the depreciation thereon upto 31st December, 2015.
- (b) Cost incurred by the Company, ownership of which vests with the State Maritime Boards.
- (c) i) Includes ₹ 6.43 crores (previous year - ₹ 6.43 crores) being cost of railway wagons given on lease to the railway under 'Own Your Wagon Scheme' and ₹ 6.43 crores (previous year - ₹ 5.45 crores) being the depreciation thereon upto 31st December, 2015.  
ii) Includes ₹ 99.92 crores (previous year - ₹ 100.57 crores) being cost of power lines by the Company, the ownership of which vests with the State Electricity Boards and ₹ 29.96 crores (previous year - ₹ 28.03 crores) being the depreciation thereon upto 31st December, 2015.
- (d) Includes ₹ 18.10 crores (previous year - ₹ 18.10 crores) being cost of railway sidings constructed by the Company, the ownership of which vests with the Railway authorities and ₹ 6.35 crores (previous year - ₹ 4.59 crores) being the depreciation thereon upto 31st December, 2015.
- (e) Includes ₹ 163.81 crores (previous year ₹ NIL) being depreciation adjusted in "Surplus in the statement of profit and loss" (Refer note 45).

## Notes to Consolidated Financial Statements (Contd.)

			As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>12. Non-current investments</b>				
<b>Unquoted</b>				
<b>Other investments (valued at cost, unless stated otherwise)</b>				
<b>Government and trust securities</b>				
National Savings Certificate ₹ 36,500 (previous year - ₹ 36,500) deposited with Government department as security .....			-	-
<b>Equity shares</b>				
In fully paid equity shares				
1,000,000 (1,000,000) equity shares of ₹ 10 each in Gujarat Goldcoin Ceramics Limited .....	1.00			1.00
Less : Provision for diminution in value of investment .....	1.00			1.00
			-	-
<b>Public sector bonds</b>				
296 (296) 5.13% taxable redeemable bonds of ₹ 1,000,000 each of Himachal Pradesh Infrastructure Development Bonds .....		29.60		29.60
Total .....		29.60		29.60
			<b>Book value as at</b>	
			<b>31.12.2015</b>	<b>31.12.2014</b>
			<b>₹ in crores</b>	<b>₹ in crores</b>
Aggregate amount of unquoted investments .....		30.60		30.60
Less : aggregate provision for diminution in value of investments .....		1.00		1.00
Total .....		29.60		29.60
			<b>Non-current</b>	<b>Current</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>₹ in crores</b>	<b>₹ in crores</b>	<b>₹ in crores</b>	<b>₹ in crores</b>
<b>13. Loans and advances</b>				
<b>Unsecured, considered good</b>				
Capital advances .....	372.35	240.00	-	-
Security and other deposits (Refer note 29 (I) (iv)) .....	213.53	180.11	0.18	0.01
Inter corporate deposits, loans and advances to related parties (Refer note 32 (2)(A to D)) .....	-	-	-	0.39
Deposit given to Housing Development Finance Corporation Limited .....	-	-	100.00	100.00
Income tax advances (net of provisions) .....	79.79	79.51	0.31	0.08
Advances recoverable in cash or kind .....	47.63	52.65	205.23	209.75
	713.30	552.27	305.72	310.23
<b>Unsecured, considered doubtful</b>				
Capital advances .....	4.86	6.25	-	-
Inter corporate deposits, loans and advances to related parties (Refer note 32 (2)(A to D)) .....	0.61	-	-	-
Advances recoverable in cash or kind .....	7.16	-	-	7.16
	12.63	6.25	-	7.16
Less : Provision .....	(12.63)	(6.25)	-	(7.16)
	-	-	-	-
Total .....	713.30	552.27	305.72	310.23

## Notes to Consolidated Financial Statements (Contd.)

		Non-current		Current	
		As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>14.</b>	<b>Trade receivable and other assets</b>				
<b>14.1</b>	<b>Trade receivables</b>				
	<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
	Secured, considered good.....	-	-	1.31	1.74
	Unsecured, considered good.....	-	-	12.79	2.20
	Unsecured, considered doubtful.....	-	-	8.60	6.30
		-	-	22.70	10.24
	Less : Provision .....	-	-	(8.60)	(6.30)
		-	-	14.10	3.94
	<b>Others</b>				
	Secured, considered good.....	-	-	78.22	71.64
	Unsecured, considered good .....	-	-	198.14	156.07
		-	-	276.36	227.71
	Total .....	-	-	290.46	231.65
<b>14.2</b>	<b>Other assets</b>				
	<b>Unsecured, considered good</b>				
	Incentives receivable under Government incentive schemes	256.52	271.28	29.63	6.48
	Non-current bank balance (Refer note 17) .....	25.96	20.84	-	-
	Interest accrued on fixed deposit .....	-	-	21.01	28.92
	Interest accrued on investments.....	-	-	1.11	1.11
	Assets awaiting disposal (lower of carrying value and net realisable value).....	-	-	0.85	1.08
	Others .....	-	-	1.90	3.99
		282.48	292.12	54.50	41.58
	<b>Unsecured, considered doubtful</b>				
	Incentives receivable under Government incentive schemes	31.84	31.84	-	-
	Less : Provision .....	(31.84)	(31.84)	-	-
		-	-	-	-
	Total .....	282.48	292.12	54.50	41.58
<b>15.</b>	<b>Current investments</b>			As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
	<b>(Valued at lower of cost and fair value, unless stated otherwise)</b>				
	<b>Unquoted</b>				
	In units of mutual funds, fully paid-up.....			2,119.23	2,067.00
	Total .....			2,119.23	2,067.00
<b>16.</b>	<b>Inventories</b>				
	<b>(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)</b>				
	Raw materials (including in transit - ₹ 1.14 crores; previous year - ₹ 0.92 crore).....			62.93	63.50
	Work-in-progress .....			203.78	225.83
	Finished goods.....			84.84	87.22
	Stock in trade (including in transit - ₹ Nil crore; previous year - ₹ Nil crore).....			-	0.97
	Stores and spares (including in transit - ₹ 3.51 crores; previous year - ₹ 5.01 crores).....			195.34	175.10
	Coal and fuel (including in transit - ₹ 0.61 crore; previous year - ₹ 14.11 crores) .....			336.93	320.71
	Packing materials (including in transit - ₹ 0.26 crore; previous year - ₹ 0.23 crore).....			13.94	16.64
	Total .....			897.76	889.97

## Notes to Consolidated Financial Statements (Contd.)

	Non-current		Current	
	As at	As at	As at	As at
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	₹ in crores	₹ in crores	₹ in crores	₹ in crores
<b>17. Cash and bank balances</b>				
<b>Cash and cash equivalents :</b>				
Balances with banks :				
In current accounts.....	-	-	158.54	137.97
Deposit with original maturity upto 3 months.....	-	-	2,634.25	2,133.25
	-	-	2,792.79	2,271.22
Cash on hand.....	-	-	0.37	0.26
Earmarked balances with banks .....	-	-	24.25	24.39
	-	-	2,817.41	2,295.87
<b>Other bank balances :</b>				
Fixed deposit with banks, given as security against bank guarantees and others				
Original maturity more than 3 months and upto 12 months	-	-	35.91	166.41
Original maturity more than 12 months.....	25.96	20.84	-	-
	25.96	20.84	35.91	166.41
Less : Amount disclosed under non-current asset (Refer note 14.2) .....	(25.96)	(20.84)	-	-
	-	-	35.91	166.41
Total .....	-	-	2,853.32	2,462.28
			2015	2014
	₹ in crores		₹ in crores	₹ in crores
<b>18. Other operating revenues</b>				
Sale of Power .....			0.26	0.21
Provisions no longer required written back .....			19.32	8.20
Sale of scrap (net of excise duty) .....			23.52	23.53
Insurance Claims .....			5.47	7.32
Miscellaneous income .....			44.77	29.87
Total .....			93.34	69.13
<b>19. Other income</b>				
Interest income on :				
Bank deposits .....	186.71			218.57
Long-term investments .....	1.52			1.52
Income tax refund .....	-			1.94
Others .....	5.75			4.53
			193.98	226.56
Profit on sale of current investments .....			148.20	92.45
Dividend from Mutual Fund .....			-	59.58
Others (Refer note 40 (a)) .....			11.04	45.74
Total .....			353.22	424.33
<b>20. Cost of raw material consumed (Refer note 39(ii))</b>				
Opening stock .....			63.50	54.61
Add : purchases.....			800.87	808.79
Less : closing stock.....			62.93	63.50
Total .....			801.44	799.90
<b>Break-up of raw materials consumed</b>				
Fly ash .....			345.99	339.75
Gypsum .....			217.20	237.14
Others .....			238.25	223.01
Total .....			801.44	799.90



## Notes to Consolidated Financial Statements (Contd.)

		2015	2014
	₹ in crores	₹ in crores	₹ in crores
<b>21. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>			
Closing stock :			
Work-in-progress .....	203.78		225.83
Finished goods .....	84.84		87.22
Stock-in-Trade .....	-		0.97
		288.62	314.02
Opening stock :			
Work-in-progress .....	225.83		223.53
Finished goods .....	87.22		106.35
Stock-in-Trade .....	0.97		0.36
		314.02	330.24
Decrease .....		25.40	16.22
<b>22. Employee benefits expense</b>			
Salaries and wages .....		514.41	494.00
Contribution to provident and other funds .....		36.81	53.31
Staff welfare expenses .....		42.83	39.02
Total .....		594.05	586.33
<b>23. Freight and forwarding expenses (Refer note 39(ii))</b>			
On internal material transfer .....		634.48	579.95
On finished products .....		1,877.30	1,863.55
Total .....		2,511.78	2,443.50
<b>24. Finance costs</b>			
Interest :			
On Income tax (net of interest income on refund - ₹ 61.30 crores; previous year - ₹ 31.65 crores) .....		53.03	24.58
Others .....		39.44	40.97
Total .....		92.47	65.55
<b>25. Depreciation and amortisation expense (Refer note 45)</b>			
Depreciation on tangible assets .....		629.68	512.91
Amortisation on intangible assets .....		0.08	0.12
Total .....		629.76	513.03
<b>26. Other expenses</b>			
Royalty and cess (Refer note 41) .....		231.92	153.26
Stores and spares consumed .....		303.63	314.24
Packing materials consumed .....		349.81	417.91
Repairs and maintenance :			
Building .....	12.47		8.68
Plant and machinery .....	139.87		150.83
Others .....	15.74		18.90
		168.08	178.41
Excise duty :			
Excise duty on captive consumption of clinker .....	29.97		26.15
Excise duty variation on opening / closing stock .....	(0.33)		(4.00)
		29.64	22.15
Carried forward .....		1,083.08	1,085.97

## Notes to Consolidated Financial Statements (Contd.)

		2015	2014
	₹ in crores	₹ in crores	₹ in crores
<b>26. Other expenses (contd.)</b>			
Brought forward.....		<b>1,083.08</b>	1,085.97
Rent (Refer note 38) .....		<b>32.33</b>	29.81
Rates and taxes .....		<b>95.57</b>	97.70
Insurance .....		<b>17.89</b>	18.79
Technology and Know-How fee .....		<b>92.50</b>	97.12
Advertisement and publicity .....		<b>86.76</b>	87.28
Discount on sales .....		<b>44.45</b>	44.33
Donation .....		<b>39.49</b>	33.06
Loss on assets sold, discarded and written off (net).....		<b>25.84</b>	5.35
Miscellaneous expenses*.....		<b>430.88</b>	424.85
Total .....		<b>1,948.79</b>	1,924.26
* Miscellaneous expenses include payment to auditors (excluding service tax)			
Statutory auditor			
as auditor.....	<b>2.91</b>		2.68
for other services.....	<b>0.18</b>		0.04
for reimbursement of expenses.....	<b>0.18</b>		0.09
	<b>3.27</b>		2.81
Cost auditor			
as auditor.....	<b>0.06</b>		0.06
for reimbursement of expenses.....	<b>0.02</b>		0.02
	<b>0.08</b>		0.08
		<b>3.35</b>	2.89
Total .....		<b>3.35</b>	2.89
		<b>2015</b>	<b>2014</b>
	₹ in crores	₹ in crores	₹ in crores
<b>27. Earnings per equity share (EPS) :</b>			
(i) Profit attributable to equity shareholders for basic and diluted EPS .....	<b>807.88</b>		1,486.50
(ii) Weighted average number of equity shares for basic EPS.....	<b>1,551,188,572</b>		1,547,458,221
Add : Potential equity shares on exercise of option of ESOS.....	-		1,067,470
Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992.....	<b>282,985</b>		283,818
Weighted average number of shares for diluted EPS .....	<b>1,551,471,557</b>		1,548,809,509
(iii) Nominal value of equity share (in ₹) .....	<b>2.00</b>		2.00
(iv) Earnings per equity share (in ₹)			
Basic .....	<b>5.21</b>		9.61
Diluted.....	<b>5.21</b>		9.60
<b>28. Segment reporting :</b>			
The Company has only one business segment 'Cementitious Materials' as primary segment. The secondary segment is geographical, which is given as under :			
a) Revenue from operations			
i) Sale of products (Net of excise duty)			
Within India.....	<b>9,381.60</b>		9,879.84
Outside India.....	<b>6.40</b>		50.70
Total .....	<b>9,388.00</b>		9,930.54
ii) Other operating revenues			
Within India.....	<b>93.16</b>		67.89
Outside India.....	<b>0.18</b>		1.24
Total .....	<b>93.34</b>		69.13
b) All the assets of the Company, except ₹ 8.95 crores (previous year - ₹ 14.70 crores), are within India. All tangible assets acquired during the year are within India.			

## Notes to Consolidated Financial Statements (Contd.)

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>29. Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>(I) Contingent liabilities and claims against the Company not acknowledged as debts related to various matters given below. Future cash outflows, in respect of these are determinable only on receipt of judgements / decisions pending at various forums / authorities.</b>		
(i) Labour .....	23.47	20.74
(ii) Land .....	17.64	58.86
(iii) Royalty on Limestone <sup>a</sup> .....	143.12	119.97
(iv) Sales tax <sup>b</sup> .....	267.64	266.27
(v) Excise and Customs .....	67.99	67.94
(vi) Guarantee given on behalf of joint venture company .....	-	7.14
(vii) Others .....	157.41	143.74
a) Royalty on limestone represents additional royalty, consequent to the order passed by Madhya Pradesh State Mining Department, based on the ratio of 1.6 tonnes of limestone to 1 tonne of cement produced at its factory in Chhattisgarh. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area. The matter is pending before the Hon'ble High Court of Bilaspur.		
b) Includes a matter relating to 75% exemption from sales tax granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company. In year 2014, pursuant to the unfavourable decision of the Supreme Court in that similar matter, the sales tax department has initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case the Supreme Court's decision goes against the matter referred above. Against the total demand of ₹ 247.97 crores (including interest of ₹ 134.45 crores), the Company has deposited an amount of ₹ 143.52 crores (including interest ₹ 30.00 crores) (previous year ₹ 123.52 crores, including interest ₹ 10.00 crores), towards sales tax under protest and filed a Special Leave Petition in the Supreme Court with one of the ground that the tax exemption was availed by virtue of the order passed by the Board for Industrial & Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.		
<b>(II) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) .....	327.26	419.82
<b>30. Material Demand and dispute considered as "remote" by the Company</b>		
One of the Company's Cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company is manufacturing & using a product covered under the negative list and raised a demand of ₹ 66.94 crores (previous year ₹ 66.94 crores). The Company has filed a writ in the High Court of Himachal Pradesh against the demand which has been admitted and arguments completed. The Company believes its case is strong and the demand shall not sustain under law.		
<b>31. The Competition Commission of India (CCI), in 2012 had imposed a penalty of ₹ 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), vide an interim order, had stayed the penalty with a condition to deposit 10% of the penalty amount. The Company had deposited the said amount in compliance of the condition of the order. Penalty of ₹ 1,163.91 crores was disclosed as a contingent liability in the financial statements upto the previous year ended December 31, 2014. The COMPAT, vide its final order dated 11th December, 2015, while disposing off the said appeal, set aside the order of the CCI and remanded the matter to CCI for fresh adjudication and for passing a fresh order. Further, in terms of order, the Company has received the refund of deposit, along with accumulated interest.</b>		

## Notes to Consolidated Financial Statements (Contd.)

### 32. Related party disclosure (As per Accounting Standard 18 specified under Section 133 of the Companies Act, 2013)

#### 1 Name of related parties

(A) Names of the related parties where control exists		Nature of Relationship
(I) LafargeHolcim Limited (Formerly known as Holcim Limited.), Switzerland .....		Ultimate Holding Company
(II) Holderfin BV, Netherlands .....		Intermediate Holding Company
(III) Holderind Investments Limited, Mauritius .....		Holding Company
(B) Others-with whom transactions have taken place during the year		
(I) Names of other related parties		Nature of Relationship
(a) ACC Limited .....		Fellow Subsidiary
(b) Holcim (India) Private Limited (Refer note 43) .....		Fellow Subsidiary
(c) Holcim (Lanka) Limited, Sri Lanka .....		Fellow Subsidiary
(d) Holcim Group Services Limited, Switzerland .....		Fellow Subsidiary
(e) Holcim Technology Limited, Switzerland .....		Fellow Subsidiary
(f) Holcim Philippines, Inc., Philippines .....		Fellow Subsidiary
(g) Holcim Services (South Asia) Limited .....		Fellow Subsidiary
(h) Holcim Services (Asia) Limited, Thailand .....		Fellow Subsidiary
(i) Holcim Trading FZCO, UAE .....		Fellow Subsidiary
(j) Holcim Trading Pte Limited, Singapore .....		Fellow Subsidiary
(k) PT Holcim Indonesia Tbk., Indonesia .....		Fellow Subsidiary
(l) Holcim Cement (Bangladesh) Limited, Bangladesh .....		Fellow Subsidiary
(m) Holcim (Romania) S.A. Romania .....		Fellow Subsidiary
(n) Holcim Technology (Singapore) Pte Limited, Singapore .....		Fellow Subsidiary
(o) Lafarge India Private Limited .....		Fellow Subsidiary (w.e.f.10.07.2015)
(p) Akash Manufacturing Company Private Limited .....		Associate of Fellow Subsidiary
(q) Alcon Cement Company Private Limited .....		Associate of Fellow Subsidiary
(r) Wardha Vaalley Coal Field Private Limited .....		Joint Venture
(s) Counto Microfine Products Private Limited .....		Joint Venture
(t) OneIndia BSC Private Limited (Refer note 48) .....		Joint Venture (w.e.f.13.08.2015)
(u) Siam City Cement Public Company Limited, Thailand .....		Joint Venture of Fellow Subsidiary (upto 30.03.2015)
(II) Key Management Personnel		
Name of the related parties		Nature of Relationship
(a) Mr. Ajay Kapur .....		Managing Director & CEO (w.e.f. 25th April, 2014) Deputy Managing Director & CEO (upto 24th April, 2014)
(b) Mr. Onne van der Weijde .....		Managing Director (upto 24th April, 2014)

#### 2 Details of related party transactions

Sr. Description No.		2015 ₹ in crores	2014 ₹ in crores
<b>A) Transactions with fellow subsidiaries</b>			
1	Purchase of goods		
	ACC Limited .....	4.80	47.97
	Holcim Technology Limited, Switzerland .....	-	0.04
	Holcim Trading Pte Limited, Singapore .....	-	73.09
		<b>4.80</b>	<b>121.10</b>

## Notes to Consolidated Financial Statements (Contd.)

### 32. Related party disclosure (As per Accounting Standard 18 specified under Section 133 of the Companies Act, 2013) (Contd.)

#### 2 Details of related party transactions (Contd.)

Sr. No.	Description	2015 ₹ in crores	2014 ₹ in crores
<b>A)</b>	<b>Transactions with fellow subsidiaries (Contd.)</b>		
2	Sale of goods		
	ACC Limited .....	61.42	178.29
	Holcim Trading Pte Limited, Singapore .....	4.81	37.85
	Akash Manufacturing Company Private Limited .....	2.98	2.05
	Holcim Philippines, Inc., Philippines .....	-	0.05
	PT Holcim Indonesia Tbk., Indonesia.....	0.52	0.36
	Lafarge India Private Limited .....	18.70	-
		<b>88.43</b>	<b>218.60</b>
3	Rendering of services		
	ACC Limited .....	28.16	10.09
	Holcim Services (Asia) Limited, Thailand .....	-	0.47
	Holcim Cement (Bangladesh) Limited, Bangladesh .....	0.05	0.46
	Holcim Technology Limited, Switzerland.....	0.86	-
		<b>29.07</b>	<b>11.02</b>
4	Receiving of services		
	ACC Limited .....	43.67	17.62
	Holcim Group Services Limited, Switzerland .....	2.75	1.67
	Holcim Technology Limited, Switzerland.....	92.44	97.11
	Holcim Technology (Singapore) Pte Limited, Singapore .....	0.02	-
	Holcim Services (South Asia) Limited .....	43.17	56.67
	Holcim Trading Pte Limited, Singapore .....	2.17	3.20
	Alcon Cement Company Private Limited .....	0.04	-
	PT Holcim Indonesia Tbk., Indonesia.....	-	0.05
		<b>184.26</b>	<b>176.32</b>
5	Interest income		
	ACC Limited .....	0.02	-
6	Other recoveries		
	ACC Limited .....	1.67	0.43
	Holcim (Lanka) Limited, Sri Lanka .....	0.18	0.17
	Holcim Technology Limited, Switzerland.....	0.79	-
	Holcim Trading Pte Limited, Singapore .....	0.08	-
		<b>2.72</b>	<b>0.60</b>
7	Other payments		
	ACC Limited .....	-	0.01
	Holcim Trading Pte Limited, Singapore .....	4.02	-
	Holcim (Lanka) Limited, Sri Lanka .....	0.01	-
		<b>4.03</b>	<b>0.01</b>
8	Dividend paid		
	Holcim (India) Private Limited .....	72.32	60.27

## Notes to Consolidated Financial Statements (Contd.)

### 32. Related party disclosure (As per Accounting Standard 18 specified under Section 133 of the Companies Act, 2013) (Contd.)

#### 2 Details of related party transactions (Contd.)

Sr. No.	Description	2015 ₹ in crores	2014 ₹ in crores
<b>A)</b>	<b>Transactions with fellow subsidiaries (Contd.)</b>		
9	Amounts receivable at the year end		
	ACC Limited .....	31.13	16.48
	Holcim (Lanka) Limited, Sri Lanka .....	0.18	0.17
	Holcim Cement (Bangladesh) Limited, Bangladesh .....	0.05	0.74
	PT Holcim Indonesia Tbk., Indonesia.....	0.06	0.13
	Holcim Technology Limited, Switzerland.....	0.33	-
	Akash Manufacturing Company Private Limited .....	0.44	-
	Lafarge India Private Limited .....	11.72	-
		<b>43.91</b>	<b>17.52</b>
10	Amounts payable at the year end		
	ACC Limited .....	23.30	10.16
	Holcim Technology Limited, Switzerland.....	21.08	20.58
	Holcim Philippines, Inc., Philippines .....	0.02	0.02
	Holcim Technology (Singapore) Pte Limited, Singapore .....	0.02	-
	Holcim Services (South Asia) Limited .....	8.67	6.10
	Holcim (Romania) S.A. Romania .....	0.03	0.03
	Holcim Trading FZCO, UAE.....	0.17	0.16
	Holcim Trading Pte Limited, Singapore .....	-	3.18
	PT Holcim Indonesia Tbk., Indonesia.....	-	0.04
		<b>53.29</b>	<b>40.27</b>
<b>B)</b>	<b>Transactions with Holding companies</b>		
1	Dividend paid		
	Holderind Investments Limited, Mauritius .....	302.23	251.86
<b>C)</b>	<b>Transactions with joint ventures</b>		
1	Interest income		
	Wardha Vaalley Coal Field Private Limited .....	0.09	0.04
2	Rendering of services		
	Counto Microfine Products Private Limited .....	0.89	-
3	Inter corporate deposits and loans given		
	Wardha Vaalley Coal Field Private Limited .....	0.21	0.39
4	Other recoveries		
	Siam City Cement Public Company Limited, Thailand .....	-	0.03
5	Guarantees given outstanding at the year end		
	Wardha Vaalley Coal Field Private Limited .....	7.14	7.14
6	Loans / inter corporate deposits given outstanding at the year end		
	Wardha Vaalley Coal Field Private Limited .....	0.61	0.39
7	Amounts receivable at the year end		
	Wardha Vaalley Coal Field Private Limited .....	0.13	0.04
	Counto Microfine Products Private Limited .....	0.37	-
		<b>0.50</b>	<b>0.04</b>
<b>D)</b>	<b>Transactions with key management personnel</b>		
1	Remuneration		
	Mr. Ajay Kapur .....	6.35	5.52
	Mr. Onne van der Weijde .....	-	1.65
		<b>6.35</b>	<b>7.17</b>
2	Amounts payable at the year end		
	Mr. Ajay Kapur .....	0.57	0.97

## Notes to Consolidated Financial Statements (Contd.)

### 33. Gratuity and other post-employment benefit plans :

#### a) Defined Contribution Plans

The Company has recognised expenses towards the defined contribution plans as under :

	2015 ₹ in crores	2014 ₹ in crores
Contribution to superannuation fund .....	9.38	10.41
Contribution to employees' provident fund organisation .....	18.25	18.16
Others .....	0.08	0.19
Total .....	27.71	28.76

#### b) Defined benefit plans - as per actuarial valuation

Funded plan include gratuity benefit to employee who has completed five years or more of service on departure, at 15 days salary (on last drawn basic salary) for each completed year of service.

Other non funded plan include death & disability benefit, non-funded gratuity and post employment healthcare benefits to certain employees.

The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans :

Particulars	₹ in crores			
	2015		2014	
	Funded	Other Non funded	Funded	Other Non funded
I Expense recognised in the statement of profit and loss				
1 Current service Cost.....	9.34	0.97	8.17	0.72
2 Interest cost.....	8.84	1.20	8.66	0.95
3 Past service cost.....	-	-	-	0.95
4 Expected return on plan assets.....	(9.58)	-	(8.05)	-
5 Actuarial (gains) / losses .....	(5.06)	0.07	6.03	2.26
6 Total expenses.....	3.53	2.24	14.78	4.87
7 Total expenses - Capitalised .....	0.01	-	0.03	0.01
II Net Asset / (Liability) recognised in the Balance Sheet				
1 Present value of defined benefit obligation .....	118.42	16.92	116.79	14.87
2 Fair value of plan assets.....	117.02	-	117.93	-
3 Funded status [surplus / (deficit)] .....	(1.39)	(16.91)	1.14	(14.87)
4 Net asset / (liability).....	(1.39)	(16.91)	1.14	(14.87)
III Change in obligation during the year				
1 Present value of defined benefit obligation at the beginning of the year .....	116.79	14.87	97.46	10.30
2 Current service cost .....	9.34	0.97	8.17	0.72
3 Interest cost.....	8.84	1.20	8.66	0.95
4 Past service cost.....	-	-	-	0.95
5 Actuarial (gains) / losses .....	(5.10)	0.07	9.32	2.26
6 Benefits payments.....	(11.45)	(0.20)	(6.82)	(0.31)
7 Present value of defined benefit obligation at the end of the year.....	118.42	16.91	116.79	14.87

## Notes to Consolidated Financial Statements (Contd.)

₹ in crores

Particulars	2015		2014	
	Funded	Other Non funded	Funded	Other Non funded
IV Change in assets during the year				
1 Plan assets at the beginning of the year .....	117.93	-	94.73	-
2 Expected return on plan assets .....	9.58	-	8.05	-
3 Contribution by employer .....	1.00	-	18.68	-
4 Actual benefit paid .....	(11.45)	-	(6.82)	-
5 Actuarial gains / (losses) .....	(0.04)	-	3.29	-
6 Plan assets at the end of the year .....	117.02	-	117.93	-
7 Actual return on plan assets .....	9.54	-	11.34	-
V Expected contribution to gratuity fund in the next year .....	9.00	-	7.50	-
VI Effect of one percentage point change in the assumed medical inflation rate :				
1% Increase on aggregate service and interest cost .....	-	0.20	-	0.17
1% Decrease on aggregate service and interest cost .....	-	(0.21)	-	(0.17)
1% Increase on present value of defined benefit obligation ..	-	1.65	-	1.40
1% Decrease on present value of defined benefit obligation .....	-	(1.45)	-	(1.46)
VII Qualifying insurance policy with Life Insurance Corporation of India	100%	-	100%	-
	As at 31.12.2015		As at 31.12.2014	
VIII Actuarial assumptions :				
1 Discount rate .....	7.90% p.a.		8.00% p.a.	
2 Expected rate of return on plan assets .....	8.50% p.a.		8.50% p.a.	
3 Mortality .....	LIC (2006-08) mortality tables		LIC (2006-08) mortality tables	
4 Turnover rate .....	Age 21-44 - 2%, Age 45 -57 - 1%		Age 21-44 - 2%, Age 45 -57 - 1%	
5 Medical premium inflation .....	12% p.a. in the first 5 years and 8% thereafter		12% p.a. in the first 5 years and 8% thereafter	
6 Salary escalation .....	7.00% p.a.		7.00% p.a.	
IX Basis used to determine expected rate of return on assets :				
To develop the expected long-term return on assets assumption, the company considered the current level of returns declared on its insurance policy. This resulted in the selection of the 8.50 % assumption for gratuity (funded) plan.				
X The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				



## Notes to Consolidated Financial Statements (Contd.)

XI Amount for the current and previous four years are as follows :

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	As at 31.12.2011 ₹ in crores
<b>i) Funded</b>					
Defined benefit obligation .....	118.42	116.79	97.46	95.09	77.91
Plan assets .....	117.02	117.93	94.73	95.09	79.61
Surplus / (deficit) .....	(1.40)	1.14	(2.73)	-	1.70
Experience adjustments on plan assets ....	0.04	(0.26)	(0.55)	0.55	3.86
Experience adjustments on plan liabilities..	6.07	(8.72)	3.64	6.15	7.46
<b>ii) Other non funded</b>					
Defined benefit obligation .....	16.91	14.87	10.30	10.19	7.92
Surplus / (deficit) .....	(16.91)	(14.87)	(10.30)	(10.19)	(7.92)
Experience adjustments on plan liabilities..	(0.10)	0.35	0.61	0.17	0.73
c) Amount recognised as expense in respect of compensated absences is ₹ 12.02 crores (previous year - ₹ 20.23 crores).					
d) Provident fund managed by a trust set up by the Company					

The Company has contributed ₹ 7.29 crores (previous year - ₹ 7.34 crores) towards provident fund liability. Deficit of ₹ Nil (previous year - deficit of ₹ 2.13 crores) in the accumulated corpus fund is recognised in the Statement of profit and loss. Further, considering net surplus in the accumulated corpus fund, liability of ₹ 2.13 crores provided in the previous year, has been written back..

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
Details of the fund and asset position :		
Plan assets at the year end, at fair value .....	106.57	97.25
Present value of benefit obligation at year end .....	102.40	99.38
Net Liability / (Asset)* .....	(4.17)	2.13
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach		
Discount rate.....	7.90%	8.00%
Interest rate guarantee .....	8.75%	8.75%
Expected rate of return of assets.....	8.73%	8.84%

\* Only liability is recognised in the books.

## Notes to Consolidated Financial Statements (Contd.)

### 34. Employee stock option schemes :

- a) The Company has provided various share based payments to its employees. During the year, following schemes were in operation :

Particulars	2008 #	2009	2010
a) Date of grant .....	01.07.2008	19.06.2009	22.04.2010
b) Date of Board approval .....	01.07.2008	06.02.2009	04.02.2010
c) Date of Shareholders approval .....	22.04.2008	06.04.2009	05.04.2010
d) Number of options granted .....	7,498,150	7,499,600	9,998,900
e) Method of settlement (cash / equity) .....	Equity	Equity	Equity
f) Vesting period from the date of grant .....	1 year	1 year	1 year
g) Exercise period from the date of vesting.....	4 years	4 years	4 years

# Includes 113,850 options in tranche 2 granted on 19th June 2009 @ ₹ 96 per option.

- b) The details of activity under the ESOS are as below :

Particulars	2015		2014	
	Number of shares	Weighted average exercise price (₹)	Number of shares	Weighted average exercise price (₹)
a) Outstanding at the beginning of the year.....	2,344,400	119.00	6,381,625	112.72
b) Forfeited during the year.....	-	-	18,650	113.14
c) Exercised during the year.....	2,151,635	119.00	3,885,500	109.50
d) Expired during the year .....	192,765	119.00	133,075	96.00
e) Outstanding at the end of the year .....	-	-	2,344,400	119.00
f) Exercisable at the end of the year .....	-	-	2,344,400	119.00
g) Weighted average remaining contractual life (in years) .....	-	-	0.30	-

The weighted average share price at the date of exercise for stock options was ₹ 242.29 (previous year ₹ 208.29)

The weighted average share price for the period over which stock option were exercised was ₹ 228.84 (previous year ₹ 205.45)

- c) The details of exercise price for stock options outstanding at the year end :

Employee stock option schemes	As at 31.12.2015			As at 31.12.2014		
	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)
2010.....	-	-	-	2,344,400	0.30	119.00

- d) Effect of the employee share based payment plans on the statement of profit and loss and on its financial position :

Particulars	2015 ₹ in crores	2014 ₹ in crores
Liability for employee stock options outstanding at year end .....	-	9.24

### 35. Proposed Dividend :

Particulars	2015 ₹ in crores	2014 ₹ in crores
The final dividend proposed for the year is as follows :		
On Equity Shares of ₹ 2 each		
Amount of dividend proposed.....	186.23	495.92
Dividend per Equity Share (₹).....	1.20	3.20

## Notes to Consolidated Financial Statements (Contd.)

### 36. Unhedged foreign currency exposure :

Particulars			As at 31.12.2015		As at 31.12.2014	
			Foreign Currency	₹ in crores	Foreign Currency	₹ in crores
1	Trade payables and other liabilities	in CHF .....	57,567	0.38	-	-
		in DKK.....	38,400	0.04	-	-
		in EURO .....	573,308	4.14	292,190	2.25
		in GBP.....	-	-	693	0.01
		in JPY.....	3,989,886	0.22	1,887,636	0.10
		in SEK.....	86,398	0.07	86,398	0.07
		in SGD .....	3,254	0.02	-	-
		in USD.....	291,859	1.93	1,409,422	8.91
2	Trade receivables, loans and advances and other assets	in CHF .....	-	-	-	-
		in DKK.....	-	-	3,750	-
		in EURO .....	-	-	245,402	1.89
		in GBP.....	-	-	775	0.01
		in JPY.....	-	-	-	-
		in SEK.....	-	-	500	-
		in SGD .....	-	-	11,520	0.06
		in USD.....	68,185	0.45	662,712	4.19

### 37. Disclosure of trade payables as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers.

- a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
Principal .....	0.52	1.02
Interest .....	-	0.01

- b) The amount of interest paid by the buyer in terms of section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year.....

3.45 10.58

- c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified.....

- -

- d) The amount of interest accrued and remaining unpaid at the end of the year. ....

- 0.01

### 38. Operating lease :

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

### 39. The Company is eligible for receipt of transport subsidy on inter-state transport of raw materials, clinker and cement in certain units. Accordingly, the Company has accrued an amount and adjusted against the respective expenses as under :

	2015 ₹ in crores	2014 ₹ in crores
(i) Cost of raw materials consumed .....	0.34	2.77
(ii) Freight and forwarding expenses .....	6.80	27.37
Total .....	7.14	30.14

40. a) Other income includes ₹ Nil (previous year ₹ 35.79 crores) written back towards interest on income tax relating to earlier years.

- b) Tax expense for earlier years represents write back upon completion of assessments and change in estimate of allowability of certain deductions.

41. During the year, the Company has made provision of ₹ 52.08 crores towards contribution to District Mineral Foundation and National Mineral Exploration Trust as per The Mines and Mineral (Development and Regulation) Amendment Act, 2015.

## Notes to Consolidated Financial Statements (Contd.)

	As at 31.12.2015 ₹ in crores	As at 31.12.2014 ₹ in crores
<b>42. Capital work-in-progress includes :</b>		
a) Machinery-in-transit.....	7.66	21.93
b) Expenditure during construction for projects as under :		
Opening balance.....	9.82	7.31
Addition during the year.....	2.12	2.51
	<b>11.94</b>	9.82
Less : Capitalised during the year .....	<b>(11.94)</b>	-
Balance included in capital work-in-progress.....	<b>-</b>	9.82
<b>43.</b> During the year 2013, the Board of Directors and members have approved the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company ("the Scheme") with effect from 1st April 2013, wherein the Company will acquire HIPL from Holderind Investments Ltd., Mauritius for a cash consideration of ₹ 3500 crores and issue of 58.44 crores equity shares of ₹ 2 each at a premium of ₹ 187.66 per share. During the previous year, Hon'ble High Courts of Gujarat and New Delhi have approved the above Scheme. Pending fulfillment of certain conditions precedent specified in the Scheme, no impact of amalgamation has been given in the financial statements.		
<b>44.</b> During the year, the Board of Directors has approved the amalgamation of Dirk India Private Limited, a wholly owned subsidiary, with the Company with effect from 1st April, 2015, in terms of the scheme of amalgamation, which is subject to approval of Hon'ble High Court and other appropriate authorities. Pending such approvals, no effect of the proposed amalgamation has been given in the financial statements.		
<b>45.</b> Pursuant to the enactment of the Companies Act 2013 ('the Act'), the Company has, effective 1st January, 2015, reviewed and revised the estimated useful lives of fixed assets, as per the life indicated in the Act. Accordingly, as per the transitional provisions of the Act, the Company has adjusted ₹ 108.91 crores (net of tax of ₹ 54.90 crores) in opening balance of "Surplus in the statement of profit and loss" as on 1st January, 2015, in respect of assets, whose useful life is exhausted as at 1st January, 2015. Further, as a result of this change, depreciation for the year ended 31st December, 2015 is higher by ₹ 108.56 crores.		
<b>46.</b> Details pursuant to Schedule III of the Companies Act, 2013.		

₹ in crores

Name of the entity	31.12.2015				31.12.2014			
	Net Assets i.e. total assets minus total Liabilities		Share in profit or loss		Net Assets i.e. total assets minus total Liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit / loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / loss	Amount
Parent.....	99.59%	10,453.49	100.16%	809.16	99.57%	10,027.44	100.66%	1,496.36
<b>Subsidiaries Indian :</b>								
Kakinada Cements Limited.....	0.00%	-	0.00%	(0.03)	0.00%	0.03	0.00%	(0.01)
M.G.T. Cements Private Limited	0.03%	2.73	0.00%	(0.02)	0.03%	2.75	0.00%	(0.01)
Chemical Limes Mundwa Private Limited.....	0.02%	2.35	-0.02%	(0.13)	0.02%	2.48	0.00%	0.02
Dirk India Private Limited.....	-0.09%	(9.63)	-0.15%	(1.25)	-0.06%	(5.96)	-0.72%	(10.67)
<b>Subsidiaries foreign :</b>								
Dang Cement Industries Private Limited.....	0.24%	25.68	-0.01%	(0.05)	0.25%	25.01	0.01%	0.10
Minority interest in all subsidiaries	0.01%	0.72	0.00%	-	0.01%	0.72	0.00%	(0.01)
<b>Joint Venture</b>								
Counto Microfine Products Private Limited.....	0.19%	19.92	0.18%	1.46	0.18	18.47	0.06%	0.88
Wardha Vaalley Coal Field Private Limited.....	0.00%	(0.41)	-0.02%	(0.16)	0.00%	(0.25)	-0.01%	(0.16)
OneIndia BSC Private Limited*	0.01%	1.41	-0.14%	(1.10)	0.00%	-	0.00%	-
<b>Total .....</b>	<b>100.00%</b>	<b>10,496.26</b>	<b>100.00%</b>	<b>807.88</b>	<b>100.00%</b>	<b>10,070.69</b>	<b>100.00%</b>	<b>1,486.50</b>

\* Joint Venture w.e.f. 13.08.2015 (Refer note 48)

Net assets and share of profits and loss reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits / (loss).

## Notes to Consolidated Financial Statements (Contd.)

### 47. Interest in Joint Venture - Aggregate amounts of interest in Joint Venture companies are as under :

₹ in crores

	Counto Microfine Private Limited		Wardha Vaalley Coal Field Private Limited		One India BSC Private Limited*
	As at and for the year ended		As at and for the year ended		
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015
<b>LIABILITIES</b>					
Long-term borrowings.....	0.87	2.39	-	-	-
Deferred tax liabilities (net) .....	0.70	-	-	-	-
Long-term provisions .....	0.05	0.04	-	-	-
Short-term borrowings.....	0.01	0.05	0.52	0.25	-
Trade payables .....	1.42	1.35	-	-	0.17
Other current liabilities .....	1.25	1.88	0.08	0.02	0.54
Short-term provisions .....	0.03	0.02	-	-	-
<b>ASSETS</b>					
Fixed assets .....	12.29	13.20	-	-	-
Deferred tax assets (net).....	-	0.02	-	-	-
Long-term loans and advances.....	-	-	-	-	1.04
Other non-current assets .....	0.05	0.04	-	-	-
Inventories .....	1.24	0.76	-	-	-
Trade receivables.....	2.68	2.50	-	-	-
Cash and bank balances .....	0.02	0.08	0.19	0.01	0.84
Short-term loans and advances.....	0.98	0.62	-	-	0.24
<b>Total revenue .....</b>	<b>12.80</b>	<b>9.91</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses .....</b>	<b>(11.34)</b>	<b>(9.05)</b>	<b>(0.16)</b>	<b>(0.16)</b>	<b>(1.10)</b>
<b>Profit / (loss) .....</b>	<b>1.46</b>	<b>0.86</b>	<b>(0.16)</b>	<b>(0.16)</b>	<b>(1.10)</b>

\* Joint Venture w.e.f. 13.08.2015 (Refer note 48)

48. During the year, the Company has subscribed for ₹ 2.50 crores in equity shares of OneIndia BSC Private Limited (OIBPL). OIBPL is a joint venture company, with an equal equity participation with ACC Limited, a fellow subsidiary Company, created with aim to provide business shared services.

49. Figures below ₹ 50,000 have not been disclosed.

50. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to Notes 1 to 50

As per our attached report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E

per Ravi Bansal  
Partner  
Membership No. 49365

Suresh Joshi  
Chief Financial Officer  
Rajiv Gandhi  
Company Secretary

N.S. Sekhsaria  
Chairman  
Bernard Terver  
Vice Chairman  
Omkar Goswami  
Director  
Shailesh Haribhakti  
Director  
B.L. Taparia  
Director  
Ajay Kapur  
Managing Director &  
Chief Executive Officer

For and on behalf of the Board

Rajendra P. Chitale  
Chairman - Audit Committee  
Eric Olsen  
Director  
Nasser Munjee  
Director  
Haigreve Khaitan  
Director  
Christof Hassig  
Director

Mumbai, 10th February, 2016

# AMBUJA CEMENTS LIMITED

Registered Office: P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715  
Corp. Office : Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai 400 059,  
CIN : L26942GJ1981PLC004717 Email:shares@ambujacement.com Website:www.ambujacement.com

## Notice

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday , 14<sup>th</sup> April, 2016 at 10.30 a.m. at the Registered Office of the Company at P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715, to transact the following business:-

### Ordinary Business

1. To receive, consider and adopt
  - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> December, 2015, together with the Reports of the Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> December, 2015 and the Report of the Auditors thereon.

2. To declare dividend on equity shares.
3. To appoint a Director in place of Ms. Usha Sangwan (DIN:02609263), who retires by rotation and being eligible, offers herself for re-appointment.

4. Appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. SRBC & CO. LLP, Chartered Accountants, Mumbai (Membership No. 324982E), the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration plus reimbursement of out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and is hereby

authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### Special Business

5. Appointment of Mr. Eric Olsen (DIN:07238383) as a Director

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Eric Olsen (DIN:07238383), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Eric Olsen for the office of Director, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Appointment of Mr. Christof Hassig (DIN:01680305) as a Director

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Christof Hassig (DIN: 01680305), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of

the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Christof Hassig for the office of Director, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. Appointment of Mr. Martin Kriegner (DIN:00077715) as a Director

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Martin Kriegner (DIN: 00077715), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Martin Kriegner for the office of Director, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

8. Revision in Remuneration of Mr. B. L. Taparia, Director (DIN :00016551)

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015, the consent of the Company be and is hereby accorded for increase in the remuneration in the form

of Advisory Service fee to Mr. B. L. Taparia, Director from Rs. 11,00,000/- per month to Rs. 12,00,000/- per month for the period from 1<sup>st</sup> November, 2015 till 31<sup>st</sup> October, 2016 in partial modification to the Agreement and Supplementary Agreement dated 5<sup>th</sup> November, 2012 and 13<sup>th</sup> January, 2015 respectively entered into by the Company with Mr. Taparia.”

“RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof) and/or the Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

9. Ratification of Remuneration to the Cost Auditors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P. M. Nanabhoy & Co., Cost Accountants appointed as the Cost Auditors of the Company by the Board of Directors, for the conduct of the audit of the cost records of the Company for the financial year 2016 at a remuneration of Rs. 6,00,000/- (Rupees Six Lacs Only) plus reimbursement of the travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. Adoption of new set of Articles of Association

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as “the Board”, and shall include any of its duly authorised Committees) is authorised to accept as it may deem fit, the existing Articles of Association of the Company be and is hereby replaced, altered, modified and revised with the new Articles of Association, and the new set of Articles of Association be

and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company with effect from the date of this meeting.”

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby authorised to do all acts, deeds, things and take all such steps as may be necessary, proper expedient or incidental for the purpose of giving effect to this aforesaid resolution.”

By Order of the Board of Directors

Place : Mumbai

**Rajiv Gandhi**

Date : 25<sup>th</sup> February, 2016

Company Secretary

#### Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations, 2015) is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.**  
  
A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from **Wednesday, the 24<sup>th</sup> February, 2016 to Monday, the 29<sup>th</sup> February, 2016 (both days inclusive) for payment of final dividend.**
7. The Final dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in

electronic form will be payable to the beneficial owners of shares as on 23<sup>rd</sup> February, 2016 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members as on 29<sup>th</sup> February, 2016.

8. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.
- b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
9. GREEN INITIATIVE :- SEBI & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment.

**Members holding shares in physical mode are requested to register their e-mail ID's with the Sharepro Services (India) Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.**

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.

**Members who wish to register their email ID can download the 'Green Initiative' form from the Company's website viz. [www.ambujacement.com](http://www.ambujacement.com).**

10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your



request to [shares@ambujacement.com](mailto:shares@ambujacement.com) mentioning your Folio/DP ID & Client ID.

11. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2015 will also be available on the Company's website [www.ambujacement.com](http://www.ambujacement.com) for their download.

All the documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.

12. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
13. Members are requested to send all communications relating to shares, bonds and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:

**SHAREPRO SERVICES (INDIA) PVT. LTD. (Unit : Ambuja Cements Ltd.), 13 AB Samhita Warehousing Complex, 2<sup>nd</sup> floor, Near Sakinaka Telephone Exchange, Andheri – Kurla Road, Andheri (East), Mumbai - 400 072. Tel. No. (022) 67720300, (022) 67720400.**

If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

14. Unclaimed/Unpaid Dividend:

Members are informed that the final dividend amount for the year ended 31<sup>st</sup> December, 2008 and the interim dividend amount for the year ended 31<sup>st</sup> December, 2009, remaining unclaimed shall become due for transfer on 6<sup>th</sup> May, 2016 and 28<sup>th</sup> August, 2016 respectively to the Investor Education and Protection Fund established by the Central Government in terms of Section 205C(2) (a) of the Companies Act, 1956 on expiry of 7 years from the date of its declaration.

Members are requested to note that no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment. Any member, who has not claimed final dividend in respect of the financial year ended 31<sup>st</sup> December, 2008 onwards is requested to approach the Company/the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 31<sup>st</sup> March, 2016 for final dividend of F.Y. 2008 and 30<sup>th</sup> June, 2016 for interim dividend of F.Y. 2009. The Company has already sent reminders to all such members at their registered addresses in this regard.

15. Voting:-

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely 7<sup>th</sup> April, 2016 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

(I) VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to Section 108 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company has provided e-voting facility to the members using the Central Depository Services Ltd. (CDSL) platform. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").
2. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes by all the three modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
3. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
4. The Company has appointed Mr. Surendra Kanstiya, Practicing Company Secretary, to act as the Scrutinizer to scrutinise the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
5. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website [www.ambujacement.com](http://www.ambujacement.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited and NSE, where the shares of the Company are listed.
6. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 7<sup>th</sup> April, 2016 may obtain the User ID and password in the manner as mentioned at points (ii) to (v) given below.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, 10<sup>th</sup> April, 2016 at 10.00 a.m. and ends on Wednesday, 13<sup>th</sup> April, 2016 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 7<sup>th</sup> April, 2016,

may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is over printed on your ballot form.</li> <li>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 in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	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.

<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>
------------------------------	---

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the existing password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xviii) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(II) VOTING THROUGH BALLOT :-**

The Company is providing the facility of ballot form in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, 2015 to those shareholder,

who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form and the instruction are enclosed along with the Annual Report. The last date for receiving the ballot form will be 5<sup>th</sup> April, 2016 at 5.00 p.m. Ballot forms received after this date shall not be considered.

**(III) VOTING AT AGM :-**

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM through ballot paper.

16. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
18. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. Accordingly, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Sharepro.
19. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
20. Route Map showing directions to reach to the venue of the 33<sup>rd</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting."

## **EXPLANATORY STATEMENT**

**(Pursuant to Section 102 of the Companies Act, 2013)**

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 5 to 10 of the accompanying Notice dated 25<sup>th</sup> February, 2016.

### **In respect of Item No. 5**

The Board of Directors (based on the representation from Holcim India Private Ltd. and recommendation of Nomination and Remuneration Committee) had appointed Mr. Eric Olsen as an Additional Director from 27<sup>th</sup> July, 2015.

Mr. Eric Olsen (DIN : 07238383), is currently the CEO of LafargeHolcim Ltd, the ultimate holding company of Ambuja Cements Ltd. He is a Certified Public Accountant from Chicago and a MBA from HEC International Business School in Paris.

Prior to the global merger of Lafarge and Holcim, he served as the Executive Vice President – Operations of Lafarge and a member of its Executive Committee. He joined Lafarge group in 1999 as Senior Vice President for Strategy & Development of Lafarge, North America. Since 2001, he served as President, north-east cement region and Senior Vice President, purchasing. Since 2004, Mr. Olsen served as the CFO and Senior Vice President for Lafarge North America, a NYSE listed company. Prior to joining Lafarge group, Mr. Olsen has worked with Deloitte & Touche, Banque Paribas and was a partner of Trinity Associates.

The other details of Mr. Olsen in terms of Regulation 36(3) of the Listing Regulation, is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 130 of the present Articles of Association of the Company, Mr. Olsen holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the deposit of the requisite amount from one of the members signifying his intention to propose the appointment of Mr. Olsen as a Director.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 5 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

Except, Mr. Eric Olsen, no Director, Key Managerial Personnel or their relative are interested or concerned in the Resolution at Item No. 5 of the Notice.

### **In respect of Item No. 6**

The Board of Directors (based on the representation from Holcim India Private Ltd. and recommendation of Nomination and Remuneration Committee) had appointed Mr. Christof Hassig as an Additional Director from 9<sup>th</sup> December, 2015.

Mr. Christof Hassig (DIN01680305) is currently the Head of the Corporate Strategy and Mergers & Acquisitions function at

LafargeHolcim Ltd. He was a professional banker and has a Masters in Banking and the Advanced Management Program at Harvard Business School.

Before joining the erstwhile Holcim Ltd., Mr. Hassig worked for over twenty years at UBS in different functions including global relationship manager and investment banker. In erstwhile Holcim, he has worked in corporate finance & treasury functions for over fifteen years. In 2013, he took over the additional responsibility as Head of Mergers & Acquisitions.

The other details of Mr. Hassig in terms of Regulation 36(3) of the Listing Regulations, 2015 is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 130 of the present Articles of Association of the Company, Mr. Hassig holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the deposit of the requisite amount from one of the members signifying his intention to propose the appointment of Mr. Hassig as a Director.

The Board of Directors is of the opinion that his vast knowledge and varied experience in the field of banking, finance, M & A will be of great value to the Company and hence recommends the Resolution at Item No. 6 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

Except, Mr. Christof Hassig, no Director, Key Managerial Personnel or their relative are interested or concerned in the Resolution at Item No. 6 of the Notice.

### **In respect of Item No. 7**

The Board of Directors (based on the representation from Holcim India Private Ltd. and recommendation of Nomination and Remuneration Committee) has appointed Mr. Martin Kriegner as an Additional Director from 11<sup>th</sup> February, 2016.

Mr. Martin Kriegner (DIN 00077715) who was till recently the Area Manager of Central Europe region of LafargeHolcim has been now appointed as the Area Manager of India. He is a Doctorate of Law and MBA from Austrian Universities. He joined the Lafarge group in 1990 and became the CEO of Lafarge Perlmooser AG, Austria in 1998. He moved to India as CEO of the Lafarge Cement activity in 2002. After this assignment, he served as Regional President Cement for Asia, based in Kuala Lumpur. During this period he also supervised, among other Asian countries, the Cement activities in India. In 2012, he was appointed CEO of Lafarge India for the Cement, RMX and Aggregates, a role which he held until June 21, 2015 when he assumed the role of Area Manager of Central Europe.

The other details of Mr. Kriegner in terms of Regulation 36(3) of the Listing Regulation, is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 130 of the present Articles of Association of the Company, Mr. Krienger holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the deposit of the requisite amount from one of the members signifying his intention to propose the appointment of Mr. Kriegner as a Director.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 7 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Martin Kriegner is concerned or interested in the Resolution at Item No. 7 of the Notice.

Except, Mr. Martin Kriegner, no Director, Key Managerial Personnel or their relative are interested or concerned in the Resolution at Item No. 7 of the Notice.

#### **In respect of Item No. 8**

Mr. B. L. Taparia was appointed as Non-Executive Director on the Board of the Company w. e. f. 1<sup>st</sup> September, 2012. The Board at the same time also decided to avail his professional services on part time basis. His initial appointment and payment of remuneration was first approved by the shareholders at the 30<sup>th</sup> Annual General Meeting for a period of 3 years from 1<sup>st</sup> November, 2012 to 31<sup>st</sup> October, 2015. As an advisor, Mr. Taparia has been representing the Company before Law Firms, Consultants, Courts, Statutory and Regulatory Bodies / Authorities as and when required and also undertakes such other assignments as may be given to him from time to time.

The Board has now extended his term for a period of one year from 1<sup>st</sup> November, 2015 to 31<sup>st</sup> October, 2016 and also approved the increase in the Advisory service fees from Rs.11,00,000/- (Rupees Eleven Lacs Only) to Rs.12,00,000/- (Rupees Twelve Lacs Only) p.m. The recommendation of all fees and compensation to Non-executive Directors is required to be approved by the shareholders in general meeting as stipulated under the Regulation 17(6) of the Listing Regulations, 2015.

The letter dated 2<sup>nd</sup> November, 2015 for renewal of the contract and revision in Advisory Service Fees is available for inspection at the Registered Office of the Company during business hours on all working days upto the date of this Annual General Meeting.

The Board of Directors recommend the Resolution at item no. 8 of the Notice for your approval.

Except, Mr. B.L.Taparia, no Director, Key Managerial Personnel or their relative are interested or concerned in the Resolution at Item No. 8 of the Notice.

#### **In respect of Item No. 9**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M/s. Nanabhoy & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2016 at a remuneration of Rs.6,00,000/- per annum plus reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment and the remuneration of the cost auditor is required to be ratified subsequently in accordance to the provisions of the Act and Rule 14 of the Rules.

Accordingly, the Directors recommend the Resolution at item no. 9 of this notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 9 of the Notice.

#### **In respect of Item no. 10**

The current Articles of Association of Company were framed at the time of formation of the Company in the year 1981, as per the provisions of the erstwhile Companies Act, 1956. The Articles have been amended from time to time depending upon the need for changes in line with the regulatory / administrative requirements.

With the enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and some new provisions have been added. In view of the same the existing Articles of Association of the Company need to be re-aligned as per the provisions of the new Act and felt that it is expedient to replace the existing Articles of Association with the new Articles of Association.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The draft Articles of Association are available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 AM to 1:00 PM. upto the date of this Annual General Meeting and the same is also available on the Company website [www.ambujacement.com](http://www.ambujacement.com)

The Board of Directors recommends the resolution set out at Item No. 10 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Place : Mumbai

Date : 25<sup>th</sup> February, 2016

**Rajiv Gandhi**

Company Secretary

## ANNEXURE TO ITEMS 3, 5, 6 & 7 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting  
(Pursuant to Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015)

<b>Name of the Director</b>	<b>Ms. Usha Sangwan (3)</b>	<b>Mr.Eric Olsen (5)</b>	<b>Mr.Christof Hassig (6)</b>	<b>Mr. Martin Kriegner (7)</b>
<b>Date of Birth</b>	1 <sup>st</sup> October, 1958	8 <sup>th</sup> March, 1964	25 <sup>th</sup> April, 1958	6 <sup>th</sup> September, 1961
<b>Nationality</b>	Indian	French & American	Swiss	Austrian
<b>Date of Appointment on the Board</b>	24 <sup>th</sup> April, 2014	27 <sup>th</sup> July, 2015	9 <sup>th</sup> December, 2015	11 <sup>th</sup> February, 2016
<b>Qualifications</b>	Master's Degree in Economics and a Post Graduate Diploma in Human Resource Management.	Certified Public Accountant from Chicago, MBA from HEC International Business School, Paris	Masters in Banking, Advanced Management Program from Harvard Business School.	Doctorate of Law and MBA from Austrian University
<b>Expertise in specific functional area</b>	Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations and Corporate Communication	Operations, Strategy & Development and Finance	M & A, Corporate Finance & Treasury	Operations, Finance and General Management
<b>Number of shares held in the Company</b>	Nil	Nil	Nil	Nil
<b>List of the directorships held in other companies*</b>	Axis Bank Ltd. Voltas Limited LICHFL Care Home Ltd. BSE Limited	ACC Ltd.	ACC Ltd.	ACC Ltd.
<b>Chairman/ Member in the Committees of the Boards of companies in which he is Director*</b>	Chairman Nil Member Nil	Chairman Nil Member Nil	Chairman Nil Member Nil	Chairman Nil Member Audit Committee Stakeholders Relationship Committee
<b>Relationships between Directors inter-se</b>	Nil	Nil	Nil	Nil
* Directorship includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).				

## Route Map - AGM

### 1. From Diu - Airport to Ambujanagar

The approximate distance from Diu Airport to Ambujanagar is 45-50 KM by road. Ample Taxis are available at the Airport. Time taken is approximately 1 hour.

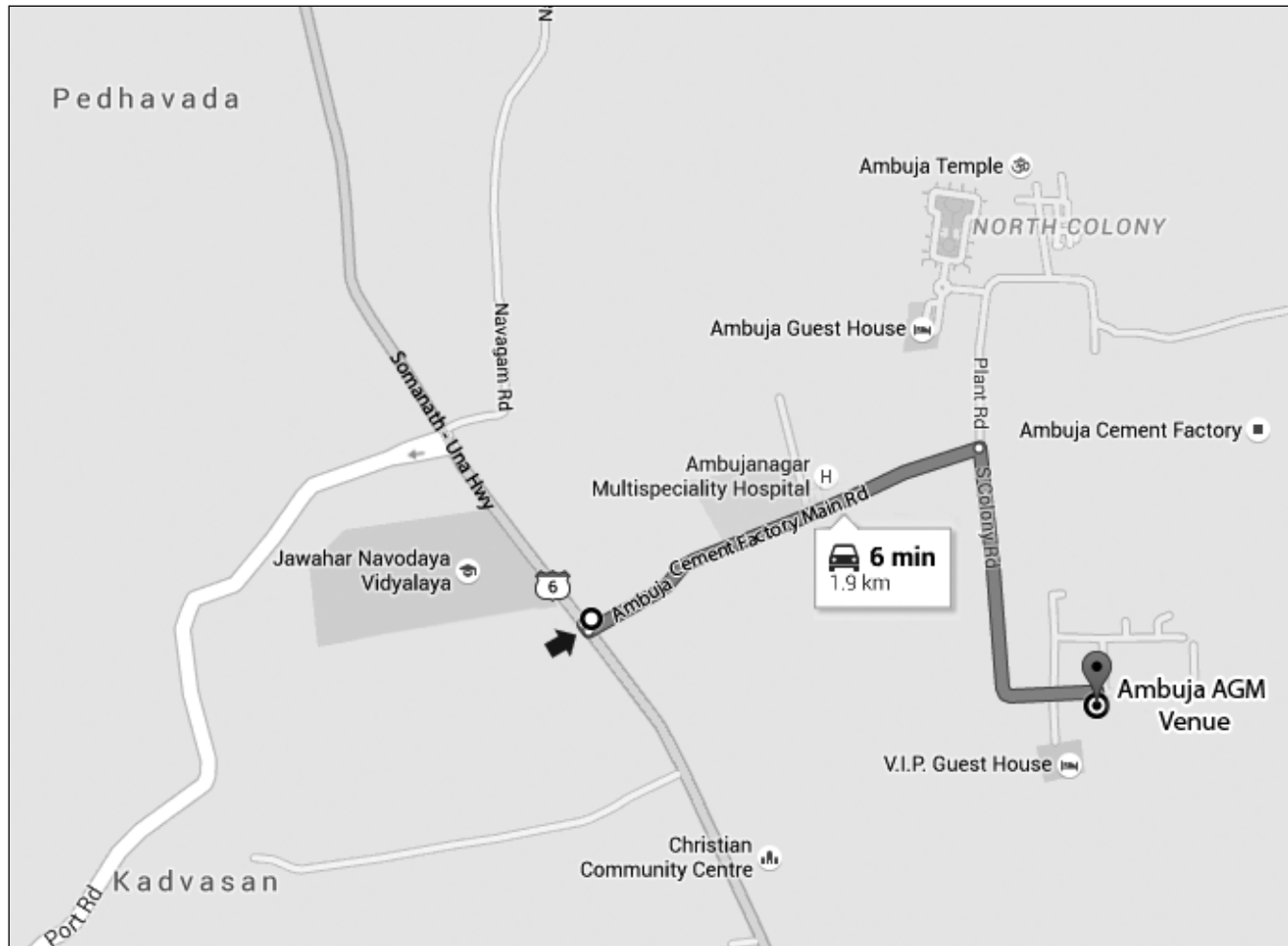
### 2. Veraval Railway station to Ambujanagar

The approximate distance from Veraval to Ambujanagar is about 45/50 KM by road. Local taxis are available at the Railway station. State transport buses are also available. Time taken is approximately 1 hour.

### 3. Kodinar to Ambujanagar

The distance from Kodinar to Ambujanagar is about 8 KM by road. Ample public transport is available from Kodinar to Ambujanagar. Time taken is approximately 15/20 Minutes.

### 4. Road Map from Highway entry point - Ambujanagar to Meeting Venue



**Ambuja  
Cement**

**AMBUJA CEMENTS LIMITED**

CIN L26942GJ1981PLC004717

Registered Office: P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715

Corporate Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059

Tel. 022-4066 7000, E mail - shares@ambujacement.com, Website: www.ambujacement.com

**ATTENDANCE SLIP**

(To be presented at the entrance)

**Annual General Meeting of the Company held on Thursday, the 14th April, 2016 at 10.30 a.m.**

at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715

Folio No. .... DP ID No. .... Client ID No. ....

Name of the Member ..... Signature .....

Name of the Proxyholder ..... Signature .....

1. Only Member/Proxyholder can attend the Meeting

2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting

----- TEAR HERE -----

**Ambuja  
Cement**

**AMBUJA CEMENTS LIMITED**

CIN L26942GJ1981PLC004717

Registered Office: P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715

Corporate Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059

Tel. 022-4066 7000, E mail - shares@ambujacement.com, Website: www.ambujacement.com

**PROXY FORM**

**(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)**

Name of the Member(s) : .....

Registered address : .....

..... E-mail Id : .....

Folio No. / Client ID No. : ..... DP ID No. ....

I/We, being the member(s) of ..... number shares of Ambuja Cements Limited, 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 Annual General Meeting of the Company to be held on Thursday, the 14th April, 2016 at 10.30 a.m. at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. ( ☐ )

1		6	
2		7	
3		8	
4		9	
5		10	

Signed this ..... day of ..... 2016

Affix  
Revenue  
Stamp

Signature of Shareholder ..... Signature of Proxyholder.....

**NOTES:**

- 1 This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 not less than 48 hours before the commencement of the Meeting.
- 2 Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

# **Ambuja Cement**

Head office:  
Elegant Business Park,  
Behind Kotak Mahindra Bank,  
MIDC Cross Road 'B',  
Off Andheri - Kurla Road,  
Andheri (E), Mumbai 400 059.

Tel.: 022 6616 7000 / 4066 7000.

**[www.ambujacement.com](http://www.ambujacement.com)**