Ambuja Cements Limited

Annual Report 2019
Report and Accounts of Subsidiary Companies

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Board's Report

TO THE MEMBERS

The Board of Directors are pleased to present the Company's 84th Annual Report on business and operations, together with the audited financial statements *(consolidated as well as standalone)* for the year ended December 31, 2019.

1. STATE OF THE AFFAIRS OF THE COMPANY

The performance of the Cement Business and RMX Business are detailed out in the Management and Discussion Analysis Report, which forms part of the Annual Report.

2. FINANCIAL PERFORMANCE

Particulars	Consolidated ₹ Crore		Standalone ₹ Crore	
	2019	2018	2019	2018
Revenue from Operations	15,657.55	14,801.62	15,656.65	14,801.35
Other Income	318.43	142.66	311.21	138.50
Total Income	15,975.98	14,944.28	15,967.86	14,939.85
Profit before Tax	**2,052.52**	**1,510.11**	**2,031.47**	**1,494.29**
Tax Expenses	674.98	(10.51)*	672.56	(12.34)
Profit for the year	**1,377.54**	**1,520.62**	**1,358.91**	**1,506.63**
Attributable to				
Owners of the Company	1,377.41	1,520.47	1,358.91	1,506.63
Non-controlling Interest	0.13	0.15	-	-
Other Comprehensive Income (OCI)	(49.23)	(4.84)	(48.98)	(4.85)
Total Comprehensive Income	**1,328.31**	**1,515.78**	**1,309.93**	**1,501.78**
Owners of the Company	1,328.18	1,515.63	1,309.93	1,501.78
Non-controlling Interest	0.13	0.15	-	-
Opening Balance in retained earnings	**6,702.10**	**5,526.05**	**6,703.53**	**5,541.33**
Amount available for appropriations	8,030.28	7,041.68	8,013.46	7,043.11
Appropriations				
Final Dividend Paid				
For 2018	262.90	-	262.90	-
For 2017	-	281.68	-	281.68
Tax on Equity Dividend	54.04	57.90	54.04	57.90
Closing balance in retained earnings	**7,713.34**	**6,702.10**	**7,696.52**	**6,703.53**

*Including write back of ₹500.63 Crore relating to tax provision of earlier years.

3. OVERVIEW OF COMPANY'S FINANCIAL & OPERATIONAL PERFORMANCE

- Consolidated income, comprising Revenue from Operations and other income, for the year was ₹15,975.98 Crore, 7% higher compared to ₹14,944.28 Crore in 2018
- Total consolidated Revenue from Operations increased to ₹15,657.55 Crore from ₹14,801.62 Crore in 2018
- Other Operating Revenue for 2019 was ₹314.44 Crore representing a decrease of 3% over the previous year
- Consolidated Profit before Tax for the year was ₹2,052.52 Crore *vis-à-vis* ₹1,510.11 Crore in 2018
- Consolidated Profit after Tax for the year was ₹1,377.54 Crore compared to ₹1,520.62 Crore in 2018
- No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year
- Cement Production decreased by 2% from 28.36 Million tonnes in 2018 to 27.87 Million tonnes in 2019
- Cement Sales Volume increased by 2% from 28.37 Million tonnes in 2018 to 28.89 Million tonnes in 2019

- The net sales in cement increased by 5% from ₹13,387.09 Crore in 2018 to ₹14,060.31 Crore in 2019
- RMX Production Volume has increased by 13% from 31.29 Lakh m^3 in 2018 to 35.24 Lakh m^3 in 2019
- RMX sales volume increased by 12% from 31.57 Lakh m^3 in 2018 to 35.32 Lakh m^3 in 2019
- The net sales in RMX increased by 13% from ₹1,306.38 Crore in 2018 to ₹1,473.03 Crore in 2019

4. DIVIDEND

The Board of Directors has recommended a payment of dividend at a rate of ₹14 per equity share (140%) for the year ended December 31, 2019 subject to the approval of the Members at the 84th Annual General Meeting (**'AGM'**).

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), the Company has formulated a Dividend Distribution Policy. The policy is given in **Annexure A** to this Report. It is also accessible from the Company's website at www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf

Unclaimed dividend pertaining to the 74th final dividend and the 75th interim dividend, respectively for the years December 31, 2011 and December 31, 2012 totalling to ₹4.06 Crore have been transferred to the Investor Education and Protection Fund (**'IEPF'**) in accordance with statutory requirements.

5. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the year ended December 31, 2019.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

7. SHARE CAPITAL

The Company's paid-up equity share capital continues to stand at ₹187.79 Crore as on December 31, 2019.

During the year, the Company has not issued any shares or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to the Employees or Directors of the Company.

8. FINANCIAL LIQUIDITY

Cash and cash equivalent as on December 31, 2019 was ₹4,492.53 Crore *vis-à-vis* ₹2,933.21 Crore in the previous year.

The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

9. CREDIT RATING

As in the previous years, CRISIL, the reputed rating agency, has given the highest credit rating of AAA/STABLE for the long-term and A1+ for the short-term financial instruments of the Company. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

10. DEPOSITS

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 (**'Act'**) and the Rules framed thereunder during the year under review.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Standalone Financial Statements *(Refer Note No. 46)*.

12. INTERNAL CONTROL SYSTEMS

12.1 Internal Audit and its Adequacy

The scope and authority of the internal audit function is defined in the Internal Audit Charter. To maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board.

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations.

Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

12.2 Internal Controls over Financial Reporting (ICFR)

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed.

The Company has put in place robust policies and procedures, which *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

13. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Over the years, the Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. EthicalView Reporting Policy (**'EVRP'**) is the vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the Listing Regulations. The Board's Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct and/or Ethics Policy. Details of the EVRP have been disclosed on the Company's website at www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

During the year, the Company reached out to employees through e-learning modules and face-to-face training sessions for creating greater awareness with respect to its Fair Competition Directive (FCD) and Anti-Bribery and Corruption Directive (ABCD). This has helped in achieving a high level of engagement and compliance among the employees.

14. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

14.1 Subsidiaries

Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI's revenue from operations increased to ₹18.78 Crore compared to ₹18.76 Crore in 2018. The profit before tax for 2019 was ₹3.18 Crore as against ₹3.39 Crore in 2018.

ACC Mineral Resources Limited (AMRL)

The Company had a Joint Venture (JV) with Madhya Pradesh State Mining Corporation Limited (**'MPSMC'**) for the development of four coal blocks allotted to MPSMC by the Government of India through its wholly-owned subsidiary AMRL.

Consequent upon the cancellation of the allocation of the four (4) coal blocks to MPSMC by the Government of India as per the orders of the Supreme Court passed in the month of September 2014, AMRL does not have any business activity and correspondingly did not have any operating income during the period under review.

Other subsidiaries

The Company has three (3) other subsidiary companies, including Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited. Singhania Minerals Private Limited is operational, while the other two (2) companies are not operational.

14.2 Material subsidiaries

None of the subsidiaries mentioned in para 14.1 supra is a material subsidiary as per the thresholds laid down under the Listing Regulations, as amended from time to time.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the Listing Regulations. The Policy has been uploaded on the Company's website at https://www.acclimited.com/sh/DMS.pdf

14.3 JOINT VENTURE (JV)/ASSOCIATE COMPANIES

OneIndia BSC Private Limited is a JV company with equal participation with Ambuja Cements Limited to provide back-office services to the Company with respect to routine transactional processes.

The Company also has a JV with Aakaash Manufacturing Company Private Limited for the manufacture and supply of ready-mix concrete. As on December 31, 2019, the following is the list of associate companies:

- Alcon Cement Company Private Limited
- Asian Concretes and Cements Private Limited

15. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the year 2019 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of the subsidiaries, associates and JV companies in the prescribed Form AOC-1 which forms part of the Annual Report.

The Financial Statements of the subsidiaries, associates and JV companies are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the Financial Statements of its subsidiary companies to the Members upon their request. The financial statements are also available on the website of the Company at www.acclimited.com under the 'Investors' section.

16. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

16.1 Directorate

A. Appointments/Re-appointments

Mr. Neeraj Akhoury

Mr. Akhoury, Managing Director & Chief Executive Officer (**'MD & CEO'**) of the Company has tendered his resignation from the post of MD & CEO with effect from close of business hours of February 20, 2020 to pursue other career opportunities. Mr. Akhoury has confirmed that there was no other material reason other than those provided herein above. The Board has placed on record its appreciation of the leadership provided by Mr. Akhoury during his tenure as MD & CEO and his contribution to the Company.

The Board of Directors of the Company on February 20, 2020, basis recommendation of the Nomination & Remuneration Committee (**'N&RC'**) appointed Mr. Akhoury as an Additional Director w.e.f. February 21, 2020 and to hold office up to the date of the ensuing Annual General Meeting (**'AGM'**). Further, the N&RC and Board of Directors of the Company have also recommended the appointment of Mr. Akhoury as Director *(Non-Executive Non Independent)*, to the Members at the ensuing AGM, liable to retire by rotation.

Mr. Sridhar Balakrishnan

The Board of Directors of the Company on February 20, 2020, basis recommendation of the Nomination & Remuneration Committee (**'N&RC'**) appointed Mr. Balakrishnan as an Additional Director w.e.f. February 20, 2020 and to hold office up to the date of the ensuing AGM.

In the said meeting the Board also appointed Mr. Balakrishnan as the Managing Director and Chief Executive Officer (**'MD & CEO'**) of the Company for a period of five (5) years commencing from February 21, 2020 upto February 20, 2025, on the terms & conditions as approved and decided by the Board of Directors from time to time, subject to necessary sanctions and approvals from the Members of the Company, as may be applicable. Mr. Balakrishnan took charge as MD & CEO of the Company w.e.f. from February 21, 2020. The Company has received a notice in writing from a Member proposing the candidature of Mr. Balakrishnan as MD & CEO on the Board of the Company. Further, the N&RC and Board of Directors of the Company have also recommended the appointment of Mr. Balakrishnan as MD & CEO, not liable to retire by rotation, to the Members at the ensuing AGM.

Mr. Narotam S. Sekhsaria

Mr. Sekhsaria was appointed as an Independent Director for the period of five (5) years in the EGM held on September 10, 2014 w.e.f. July 24, 2014.

However, w.e.f. August 12, 2016, consequent to the amalgamation of Holcim (India) Pvt. Ltd. and Ambuja Cements Ltd., Mr. Sekhsaria was classified as a Non Independent Director, liable to retire by rotation.

In terms of Section 152 of the Act, Mr. Sekhsaria, Non-Executive Non Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on March 22, 2019.

Mr. Shailesh Haribhakti

Mr. Haribhakti was appointed as an Independent Director, not liable to retire by rotation, in the Extraordinary General Meeting of the Company held on September 10, 2014 for a period of five (5) years, with effect from July 24, 2014 and up till July 23, 2019.

Further, Mr. Haribhakti was re-appointed as an Independent Director, not liable to retire by rotation, for the second (2nd) term of five (5) years in pursuance to passing of the special resolution in the AGM of the Company held on March 22, 2019 with effect from July 24, 2019 up till July 23, 2024.

Mr. Sushil Kumar Roongta
Mr. Roongta was appointed as an Independent Director, not liable to retire by rotation, in the Extraordinary General Meeting of the Company held on September 10, 2014 for the period of five (5) years, with effect from July 24, 2014 and up till July 23, 2019.

Further, Mr. Roongta was re-appointed as an Independent Director, not liable to retire by rotation, for the second (2nd) term of five (5) years in pursuance to passing of special resolution in the AGM of the Company held on March 22, 2019, with effect from July 24, 2019 up till July 23, 2024.

Ms. Falguni Nayar
Ms. Nayar was appointed as an Independent Director, not liable to retire by rotation, in the Extraordinary General Meeting of the Company held on September 10, 2014 for the period of five (5) years, with effect from April 24, 2014 and up till April 23, 2019.

Besides, Ms. Nayar was re-appointed as an Independent Director, not liable to retire by rotation, for the second (2nd) term of five (5) years in pursuant to passing of special resolution in the AGM of the Company held on March 22, 2019 with effect from April 24, 2019 up till April 23, 2024.

Mr. D. Sundaram
Mr. Sundaram was appointed as an Independent Director, not liable to retire by rotation, in the AGM of the Company held on March 22, 2019 for the period of five (5) years, with effect from March 22, 2019 up till March 21, 2024.

Mr. Vinayak Chatterjee
Mr. Chatterjee was appointed as an Independent Director, not liable to retire by rotation, in the AGM of the Company held on March 22, 2019 for the period of five (5) years, with effect from March 22, 2019 up till March 21, 2024.

Mr. Sunil Mehta
Mr. Mehta was appointed as an Independent Director, not liable to retire by rotation, in the AGM of the Company held on March 22, 2019 for the period of five (5) years, with effect from March 22, 2019 up till March 21, 2024.

Mr. Martin Kriegner
Mr. Kriegner was appointed as Non-Executive, Non Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 13, 2016.

In terms of Section 152 of the Act, Mr. Kriegner, Non-Executive, Non Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Mr. Vijay Kumar Sharma
Mr. Sharma was appointed as Non-Executive, Non Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 9, 2014.

In terms of Section 152 of the Act, Mr. Sharma, Non-Executive, Non Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Note: The relevant details including profiles of Mr. Kriegner, Mr. Sharma, Mr. Akhoury and Mr. Balakrishnan are included separately in the Notice of AGM and Report on Corporate Governance of the Company forming part of the Annual Report.

B. Retirements/Cessations

Mr. Ashwin Dani, Mr. Farrokh Kavarana and Mr. Arunkumar Gandhi have resigned from the office of the Director, with effect from March 22, 2019, on attaining the age of seventy-five years (75 years) in line with the Company's Succession Policy and the same has been reported by the Company in the previous year's Annual Report.

Mr. Christof Hassig was appointed as Non Independent, Non-Executive Director, being liable to retire by rotation, in the AGM of the Company held on April 13, 2016. In terms of Section 152 of the Act, Mr. Hassig, Non-Executive, Non Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on March 22, 2019.

Mr. Hassig has resigned from the office of the Director, with effect from February 20, 2020 on account of his pre-occupation in LH Group and also due to his other personal commitments. Mr. Hassig has confirmed that there is no other material reason other than those provided herein above.

The Board has placed on record its warm appreciation of the contribution made by the aforestated Directors during their tenure as Director(s) on the Board of the Company.

16.2 Key Managerial Personnel

In terms of the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sridhar Balakrishnan, MD & CEO *(with effect from February 21, 2020)*, Ms. Rajani Kesari, Chief Financial Officer (**'CFO'**) and *(with effect from August 1, 2019)* and Mr. Rajiv Choubey, Chief Legal Officer & Company Secretary *(with effect from September 26, 2019)* are the Key Managerial Personnel of the Company.

Mr. Neeraj Akhoury, demitted office as MD & CEO and Key Managerial Personnel of the Company in terms of the provisions of Section 203 of the Act w.e.f. close of business hours on February 20, 2020.

Mr. Balakrishnan took charge as MD & CEO and Key Managerial Personnel of the Company in terms of the provisions of Section 203 of the Act for a period of five (5) years, w.e.f. February 21, 2020 upto February 20, 2025.

Ms. Kesari was appointed as the CFO and Key Managerial Personnel in terms of the provisions of Section 203 of the Act with effect from August 1, 2019 upon Mr. Sunil Nayak demitting office as CFO from the said date.

Mr. Choubey was appointed as the Chief Legal Officer & Company Secretary and Key Managerial Personnel in terms of the provisions of Section 203 of the Act with effect from September 26, 2019 upon Mr. Ramaswami Kalidas demitting office as Company Secretary & Head Compliance from the said date.

16.3 Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, mining & mineral industries and E-marketing; and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar (**'IICA'**). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The IICA is yet to commence the online proficiency self-assessment test and hence, the said online proficiency self-assessment test will be undertaken by the Independent Directors of the Company as and when such test will be made available.

16.4 Board effectiveness

a. Familiarisation programme for Independent Directors

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act, and other related regulations. This process *inter alia* includes providing an overview of the cement industry, the Company's business model, the risks and opportunities etc.

Details of the familiarisation programme are explained in the Report on Corporate Governance and are also available on the Company's website and can be accessed at www.acclimited.com/sh/FPID.pdf

b. Formal annual evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management and Compliance Committees as mandated under the Act and Listing Regulations, as amended from time to time. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

16.5 Remuneration policy and criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Leadership positions

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Members of the Executive Committee (**'ExCo'**) as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), Key Managerial Personnel and ExCo.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel and Members of the ExCo is given in **Annexure B** to this Report and is also available at the website of the Company and can be accessed at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

The Board of Directors of the Company also formulated and adopted the policy on the 'Diversity of the Board' and 'Succession Policy for Directors'. The details of the same are available at the website of the Company and can be accessed at www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf www.acclimited.com/assets/new/pdf/CG/succession_policy_for_directors.pdf

17. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

Regular Meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the Meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time.

During the year under review, five (5) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has the following six (6) Board level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility & Sustainability Committee
4. Nomination and Remuneration Committee
5. Stakeholders' Relationship Committee
6. Compliance Committee.

Several Committee Meetings were held during the year, including Audit Committee and Stakeholders Relationship Committee Meetings, which met five (5) and three (3) times, respectively during the year. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

18. AUDIT COMMITTEE

The Audit Committee comprises five (5) Members. The Committee is chaired by Mr. Sundaram (Independent Director). The other Members of the Committee are Mr. Kriegner (Non-Executive Director), Mr. Chatterjee (Independent Director), Mr. Mehta (Independent Director) and Mr. Roongta (Independent Director). The Committee comprises majority of Independent Directors.

Details of the role and responsibilities of the Audit Committee, the particulars of Meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of the Annual Report.

During the year under review, all recommendations made by the Audit Committee were accepted by the Board.

19. CORPORATE SOCIAL RESPONSIBILITY ('CSR') & SUSTAINABILITY COMMITTEE

The CSR & Sustainability Committee comprises five (5) Members of which two (2) are Independent Directors. The Committee is chaired by Mr. Haribhakti (Independent Director). During the year under review, the other Members of the Committee were Ms. Nayar (Independent Director), Mr. Hassig (Non-Executive Director), Mr. Sharma (Non-Executive Director) and Mr. Akhoury (MD & CEO till close of business hours of February 20, 2020). With effect from February 21, 2020, Mr. Balakrishnan, MD & CEO was inducted as one of the Member of the CSR & Sustainability Committee in place of Mr. Akhoury. The Committee met twice (2) during the reporting period. Details of the role and functioning of the Committee are given in the Report on Corporate Governance, which forms part of the Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has set up CSR & Sustainability Committee and statutory disclosures with respect to the CSR & Sustainability Committee & an Annual Report on CSR Activities forms part of this Report as **Annexure C**.

The CSR Policy as recommended by the CSR and Sustainability Committee and as approved by the Board is available on the website of the Company and can be accessed at https://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf

20. RISK MANAGEMENT FRAMEWORK

The Company's governance structure has well-defined roles and responsibilities, which enable and empower the Management to identify, assess and leverage business opportunities and manage risks effectively. There is also a comprehensive framework for strategic planning, implementation and performance monitoring of the business plan, which *inter alia* includes a well-structured Business Risk Management (BRM) process. To systematically identify risks and opportunities and monitor their movement, a heat map has been designed comprising two (2) parameters: a) likelihood of the event and b) the impact it is expected to have on the Company's operations and performance.

The risks that fall under the purview of high likelihood and high impact are identified as key risks. This structured process in identifying risks supports the ExCo in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into the Company's planning cycle, which is a rolling process to, *inter alia* periodically review the movement of the risks on the heat map and the effectiveness of the mitigation plan.

The detailed section on key business risks and their mitigation plans forms part of Report on Corporate Governance, which forms part of annual report.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has developed a Related Party Transactions (**'RPT'**) Manual and Standard Operating Procedures to identify and monitor RPTs.

All transactions with related parties are placed before the Audit Committee as well as the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the RPTs, which are foreseeable and repetitive. The RPTs are entered with prior approval of the Audit Committee and the same are subject to Audit. A statement giving details of all RPTs are placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from the MD & CEO and the CFO.

The policy on RPTs as approved by the Board of Directors has been uploaded on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/CG/Related-party-transactions-policy.pdf

All transactions with related parties during the year were on an arm's length basis and were in the ordinary course of business. The details of the material RPTs entered into during the year as per the policy on RPTs approved by the Board have been reported in Form AOC-2, which is attached herewith as **Annexure D**.

None of the Directors and the Key Managerial Personnel has any pecuniary relationships or transactions *vis-à-vis* the Company.

22. TRANSFER OF EQUITY SHARES UNPAID/UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

In line with the statutory requirements, the Company has transferred to the credit of the Investor Education and Protection Fund (**'IEPF'**) set up by the Government of India, equity shares in respect of which dividend had remained unpaid/unclaimed for a period of seven (7) consecutive years within the time lines laid down by the Ministry of Corporate Affairs. Unpaid/unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Complaint filed under the Competition Act, 2002 by the Builders Association of India against cement manufacturers - Appeal before the Supreme Court of India

As reported in detail in reports of earlier years, a penalty of ₹1,147.59 Crore was levied on the Company by the Competition Commission of India (**'CCI'**) based on a complaint filed by the Builders' Association of India for alleged violation of the provisions of the Competition Act, 2002.

The National Company Law Appellate Tribunal (**'NCLAT'**) dismissed the appeal of the Company (dated July 25, 2018) upholding the levy of penalty of ₹1,147.59 Crore as imposed by the CCI through its order (on August 31, 2016). The NCLAT (on November 7, 2016) initially stayed the operation of the CCI's order subject to deposit of 10% of the penalty amount.

The Company preferred an appeal before the Hon'ble Supreme Court against the above order of NCLAT. The Hon'ble Supreme Court (on October 5, 2018) has admitted the Company's civil appeal and ordered for continuance of the interim orders passed by NCLAT towards stay on the demand subject to deposit of 10% of the penalty amount. The matter is still subjudice. As on December 31, 2019, the penalty amount of ₹1,147.59 Crore and interest thereon has been disclosed as a contingent liability in the Notes to Financial Statements *[Refer Note –39(A)(a)]*.

CCI's order on complaint filed by Director, Supplies & Disposals, State of Haryana in 2013

The Director, Supplies & Disposals, State of Haryana had filed a complaint before CCI alleging collusion and bid rigging by cement manufacturers in violation of Section 3(1) and 3(3)(d) of the Competition Act, 2002. In January 2017, the CCI passed an order against seven cement manufacturers, including the Company imposing a penalty calculated at the rate of 0.3% of the average turnover of the last three (3) years from financial year 2012-13 to financial year 2014-15. In respect of the Company, the amount of penalty works out to ₹35.32 Crore.

An appeal is pending before NCLAT in the said matter against the orders of the CCI. As on December 31, 2019, the penalty amount of ₹35.32 Crore is disclosed as a contingent liability in the Notes to Financial Statement *(Refer Note 39(A)(b))*. There are no further developments during the year under review in respect of the above cases.

Reference is drawn to the 'Emphasis of Matter' by the Auditors in their reports on the above matters.

24. RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS

The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation, indirect taxation and legal matters.

In the normal course of business, provisions and contingencies may arise due to uncertain tax positions and legal matters.

Based on the nature of matters the management applies significant judgment when considering evaluation of risk, including how much to provide for the potential exposure of each of the matters.

These estimates could change substantially over time as new facts emerge as each matter progresses, hence these are reviewed regularly. For matters where expert opinion is required the Company involves the best legal counsel.

Reference is drawn to the 'Key audit matters' by the Auditors in their reports on the above matters.

25. AUDITORS

25.1 Statutory Auditor

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/W-100018) were appointed as Statutory Auditors of the Company at the 81st AGM held on March 29, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 86th AGM to be held in 2022 subject to ratification of their appointment by the Members at every intervening AGM held thereafter. The requirement of seeking ratification of the Members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Hence, the resolution seeking ratification of the Members for their appointment is not being placed at the ensuing AGM.

25.2 Cost Auditor

The cost accounts and records are required to be maintained under Section 148(1) of the Act. They are duly made and maintained by the Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014. The Board of Directors of the Company has on the recommendation of the Audit Committee appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai (Firm Registration No. 30611), to conduct the cost audit of the Company for the financial year ending December 31, 2020, at a remuneration as mentioned in the Notice convening the AGM.

As required under the Act read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to cost auditors must be placed before the Members at a general meeting for ratification. Hence, a resolution for the same forms part of the Notice of the ensuing AGM.

M/s. D. C. Dave & Co. has confirmed the cost records for the financial year ended March 31, 2018 are free from any disqualifications as specified under Section 141 (3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

25.3 Secretarial Auditors and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Pramod S. Shah & Associates, Company Secretaries in Practice, Mumbai as Secretarial Auditors for conducting Secretarial Audit of the Company for the financial year ended December 31, 2019.

The report of the Secretarial Auditor is attached as **Annexure E**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India.

26. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company, i.e. December 31, 2019 and the date of this Report, i.e. February 20, 2020.

27. AWARDS AND RECOGNITIONS

During the year under review, the Company received numerous awards and accolades conferred by reputable organisations and distinguished bodies for achievements in diverse fields such as health and safety, manufacturing and environment management, corporate governance and others.

January 2019:
Awarded with a 'Certificate of Recognition' for corporate governance by the Institute of Company Secretaries of India (ICSI) at the 18th ICSI National Award for Excellence in Corporate Governance

February 2019:
Awarded for CSR Excellence in disease prevention and treatment at the Rotary Karnataka CSR Awards 2019 for efforts in providing awareness and treatment of HIV/AIDS through Antiretroviral Therapy (ART) and Integrated Counselling and Testing Centre (ICTC) at ACC Wadi

March 2019:

Named as runner-up in the Torch Bearers of Safety Award category at the Mahindra Transport Excellence Award 2018

May 2019:

(i) Recognised at the 15th Green Cementech 2019 event with the Gold Category award under GreenCo Rating system by Confederation of Indian Industry (CII) – Sohrabji Godrej Green Building Centre and Cement Manufacturers' Association for ACC Bargarh's sustainability efforts

(ii) Conferred with the Sarvashreshtha Suraksha Puraskar Golden trophy under the Micro, Small and Medium Enterprises (MSME) sector by the National Safety Council of India (NSCI) for ACC RMX Poonamallee — RMX's Chennai unit for the assessment period 2016-17

July 2019:

(i) Won the first prize for 'Excellence in Promotion of Environment Conservation and Sustainable Development' at the Himachal Pradesh Environment Leadership Award in the Large-Scale Industry sector for ACC Gagal

(ii) Declared the winner in the Large Enterprises category at the first FICCI Indian Circular Economy Awards 2019

(iii) Adjudged the second-runner up for ACC DRONA, an initiative by ACC TRUST, under the Sports category at the third edition of the CSR Journal Excellence Awards

(iv) Received the 2Good rating at the Economic Times 2Good4Good CSR ratings scheme for 2019

September 2019:

(i) ACC Jamul bagged award in the 'Excellent Energy Efficient Unit' category and ACC Bargarh and ACC Kymore bagged the 'Energy Efficient Unit' category by Confederation of Indian Industries (CII) at the 20th National Award for Excellence in Energy Management 2019

(ii) Received the Gold CSR Excellence for the Best Education/Scholarship Programme by ACC TRUST in the 8th edition of ACEF Asian Leaders Forum and Awards for efforts undertaken in its 'ACC Gyan Setu' programme to promote quality education

(iii) Named the Most Preferred Brand in Cement at the National Real Estate Leadership Congress and Awards

October 2019:

Won the Climate Action Programme (CAP) 2.0 Resilient Award in the Energy, Mining & Heavy Manufacturing Sector by the CII

November 2019:

(i) Declared winner in the GHG Mitigation in Large Enterprises category by the JSW Foundation and The Times of India at the 9th Earth Care Awards

(ii) Conferred GreenPro certification by the CII at the Green Building Conference 2019 for ACC Concrete

December 2019:

(i) Named the first runner-up (second place) in the manufacturing sector for Annual Report 2018 in the best-presented annual report category at the South Asian Federation of Accountants (SAFA) Best Published Accounts Awards

(ii) CII-ITC Sustainability Awards 2019: ACC was declared as winner of highest recognition in sustainability, i.e. "Outstanding Accomplishment" in Corporate Excellence in sustainability from CII

28. ENHANCING SHAREHOLDER VALUE

ACC is committed to creating and returning value to shareholders. Accordingly, the Company is dedicated to achieving high levels of operating performance, cost competitiveness, enhancing the productive asset and resource base and striving for excellence in all areas of operations.

The Company firmly believes that its success in the marketplace and good reputation are among the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. With decades of expertise and know-how, ACC offers its customers solutions that enhance their projects and builds trust.

Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. ACC continues to develop this strength by institutionalising sound commercial processes and building world-class commercial capabilities across its marketing and sales teams.

The Company uses an innovative approach in the development of its products and services, as well as execution of growth opportunities. The Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

29. CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

30. BUSINESS RESPONSIBILITY REPORTING

A separate section on Business Responsibility Reporting forms part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations.

31. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure F**.

In accordance with the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of the Company, excluding the aforesaid information. Any Member, who is interested in obtaining these, may write to the Chief Legal Officer & Company Secretary at the Registered Office of the Company. The same is also open for inspection during working hours at the Registered Office of the Company.

32. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditors have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

33. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year December 31, 2019 is uploaded on the website of the Company and can be accessed at https://www.acclimited.com/newsite/annualreport2019/Form_MGT_7.pdf

34. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively relating to Meetings of the Board and its Committees, which have mandatory application during the year under review.

35. STATUTORY DISCLOSURES

The disclosures required to be made under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given as under:

A. Conservation of energy

A1. Power cost optimisation

During the year, the Company reduced the increasing electrical energy cost by partly replacing grid power through the consumption of Open Access (**'OA'**) power from comparatively cheaper sources.

Enhanced intake of solar power through Power Purchase Agreements (PPA) at Thondebhavi improved the OA consumption to 90.1% from 81.3%. At Kudithini, the OA power usage grew to 91.3% from 83.5%. At Gagal, the OA quantum rose to 14% from 6.44%. At

Wadi, OA quantum increased to 46%. Madukkarai plant sourced almost all the additional power required over and above Captive Power Plant (**'CPP'**) and own wind generation through OA. Overall purchase of power from OA has resulted in a savings of ~₹56 Million.

A2. Renewable power obligation

The Company is focusing on reducing the cash outflow for the purchase of Renewable Energy Certificate (RECs) against Renewable Power Obligation (**'RPO'**).

The captive wind power generation sources contributed considerably on this front and has resulted in savings of ₹35 Million on account of RPO cash outgo. Besides, the Company sourced 51.5 Million units of solar power collectively at Thondebhavi, Kudithini and Wadi to fulfil the solar RPO and the excess units were used to fulfil partly non-solar RPO resulting in total savings of ~₹200 Million.

A3. Conservation of energy

During the year under review was crucial in terms of energy conservation as it was the assessment year for the second cycle of Perform, Achieve and Trade (**'PAT'**) scheme of the Ministry of Power. The PAT scheme is designed to enhance efficiency in specific energy consumption throughout major industries.

ACC excelled in PAT performance. The Company reduced total specific energy consumption, surpassing the target set by the Government of India by ~37% during the second PAT cycle.

The Company is likely to have a net surplus of ~37,500 Energy Saving Certificates (**'ESCerts'**), tradable at market, from the Government of India for over-achieving the set targets. The estimated number of ESCerts are based on recommendations provided by third party external monitoring and verification team to Bureau of Energy Efficiency (**'BEE'**) for issuance of ESCerts. It may change marginally, before the final recommendation for issuance of certificates is given by BEE to the Government of India.

The Company undertook several energy conservation and efficiency initiatives in cement manufacturing and CPPs, through operational and capex measures. Some of them are as follows:

- Focus on Productivity Rate Index (**'PRI'**) improvement through Computational Fluid Dynamics (**'CFD'**) studies
- Implementation of projects identified as part of mandatory energy audits of all integrated plants
- Installation of high-level controllers for kiln and cement mill
- Installation of medium voltage drives for process fans
- Replacement of conventional lights with LED across the plants

Jamul plant was adjudged as Excellent Energy Efficient by CII during the year. ACC Jamul was also named as 'Leader in Energy Efficiency in Cement Industry', for winning the CII award thrice in a row. Kymore and Bargarh units of ACC were also among the shortlisted cement plants and won the award for 'Energy Efficient Unit'.

Plant-wise energy efficiency activities

- **Jamul:** Installed high-level controller process optimisation in cement mill; optimised compressed air usage, resulting in decreased use of one compressor; modified preheater duct based on CFD study to reduce pressure drop; improved condenser vacuum in 25 MW unit by installing online condenser cleaning system; upgraded raw water pump with high efficiency water pump at mines
- **Gagal:** Installed high-level controller for kiln at Gagal-2 and two (2) cement mills for process

optimisation; installed high efficiency pumps; conducted CFD study and implemented measures to reduce pressure drop across separator bag filter of raw mill-1 and 2, separator vent bag filter of cement mills 1-4; reduced cooler fan inlet suction pressure through bell mouth design based on CFD study; designed and implemented 'Meal Curtain' through CFD study for improvement of PRI, as well as coating reduction at kiln inlet; modified ILC in kiln-2 calciner to increase residence time, and thereby kiln PRI; modified preheater cyclone in stage-2 to reduce pressure drop

- **Chanda:** Installed high-level controller for three (3) cement mills for process optimisation; reduced dam ring height in cement mill-3; replaced ash handling reciprocating compressor with a new and efficient screw compressor
- **Wadi:** Avoid damper loss with slip power recovery system for two preheater fans at Wadi-1; modified Mitsubishi Fluidised Calciner to reduce pressure drop in Wadi-1; altered raw mill-1 cyclone through CFD study to reduce pressure drop at Wadi-2; reduced raw mill-2 mill inlet pressure drop by increasing mill inlet area; upgraded cooler—modified Air Blast Controlled (ABC) to reduce clinker temperature; resized calciner string fan motor from 2000 KW used along with Grid Rotor Resistance (GRR) and Slip Power Recovery System (SPRS) to 1350 with Medium Voltage Variable Frequency Drive (MV VFD); connected crusher 3 to crusher 2 for flexibility to operate crusher as per requirement
- **Kymore:** Installed high-level controller for three (3) cement mills for process optimisation; fitted energy efficient screw compressor with VFD in K1, cement mill-8 and 9; installed solar photovoltaic power plants of 250 kWp at Mehgaon mines and 120 kWp at Bamangaon mines
- **Bargarh:** Replaced old clinker cooler with new cooler; conducted CFD study and implemented for the following areas – 'Meal Curtain' for improvement of PRI; modified kiln inlet trough to reduce dust recirculation; altered feed box at preheater to improve flow distribution; modified stage 3 and 4 cyclone-; replaced preheater fan, baghouse fan and cooler Electro Static Precipitator (ESP) fan with new energy efficient fans; installed rotary ash cooler and replaced APH tube at CPP
- **Tikaria:** Replaced two (2) compressors for NTPC Unchahar fly ash loading system and old pump with new 3000 m3/hr energy efficient pump
- **Lakheri:** Replaced reciprocating compressor for fly ash unloading with energy efficient compressor
- **Kudithini:** Installed high-level controller for cement mill
- **Chaibasa:** Modified cooler horse shoe to improve cooling efficiency; installed 9 MVA transformer at CPP
- **Sindri:** Installed high-level controller for one cement mill; installed 3000 kVA automatic power factor controller panel
- **Damodar:** Installed VFD for cement mill-3 Induced Draft (ID) fan; reduced idle running of cement mill auxiliary circuit
- **Thondebhavi:** Installed high-level controller for cement mill

Green power

- ACC's Renewable Energy (**'RE'**) portfolio consists of 19 MW in the form of wind farms across three states and generated ~35.21 Million Units (Rajasthan: 12.53 Million

Units, Tamil Nadu: 18.86 Million Units, Maharashtra: 3.82 Million Units) of green power

- These units helped ACC meet the Renewable Purchase Obligation (non-solar) for Madukkarai Plant (Tamil Nadu) and Lakheri Plant (Rajasthan) fully, besides getting power at economical rates
- In Maharashtra, ACC Thane complex and Bulk Cement Corporation of India, Kalamboli are operating mainly on renewable energy with negligible cost through the ACC wind turbines at Satara, Maharashtra. This has resulted in power cost avoidance of ₹34.84 Million
- The Renewable Power Obligations of other plants are met by purchasing Renewable Energy Certificates (solar and non-solar)

Additional proposals being implemented for further conservation of energy

- Vertical Roller Mill duct modification based on CFD study to reduce pressure drop at Bargarh and Chanda
- Top-stage cyclone modification through CFD study at Kiln-2 of Kymore
- Installation of AFR feeding system at Chanda
- Installation of efficient roller press separator fan at Bargarh
- Conversion of double chamber to mono-chamber with new liner in cement mill-3 at Bargarh
- Install MV VFD in major for process fans (preheater, kiln bag house, raw mill and slag VRM) for Bargarh and bag house fan for Wadi
- Installation of dynamic reactive power compensation system to improve the power factor at Kymore and Wadi
- Replacement of low-efficiency fans with high-efficiency fans at Wadi
- Installation of high-level controller is planned across ACC plants for kiln control (six kilns) and mill control (~ten mills)

Impact of the above measures for reduction of energy consumption and consequent impact on cost of production

The measures stated in points (A) above would further improve the thermal and electrical energy efficiency of the ACC plants.

The capital investment on energy conservation equipment

The Company invested ~₹560 Million on productivity/ efficiency improvement, besides implementation of low-cost measures to reduce energy consumption.

The steps taken by the Company for utilising alternate sources of energy

Besides, the use of RE (solar and non-solar), the Company utilised 2,72,365 tonnes of alternative fuels and 1,79,044 tonnes of alternative raw materials during cement manufacture.

B. Technology absorption Research and Development (R&D)

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

a. Conservation of resources through maximisation of the use of low-grade limestone for cement manufacturing, improvement in the quality of blended cement through innovative process utilising industrial by-products for improved quality and performance of ACC plants

b. Characterisation of industrial wastes and looking into possibilities of environment-friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources

c. Recycling of wastes and research for efficient use of scarce materials

d. Development of new products and developing new methods of evaluation and characterisation

e. Development and use of cement grinding aid and accelerators for PPC, PSC and composite cement for improved performance in concrete and achieving higher percentage of fly ash in PPC, higher percentage of slag in PSC and higher percentage of fly ash and slag in composite cement

f. Productivity research for increased efficiency in the use of resources development of application-oriented cements with decreased CO_2 emissions

g. Development of cements tailored for specific market clusters and application segments

h. Development of one-of-its-kind cement in India for reducing water seepage

i. Development of the waterproofing chemicals

j. Development of cement-based niche products such as waterproof and self-curing plaster, file adhesives, thin-bed jointing mortar, grouts and others

k. Quality benchmarking exercise for different market clusters of ACC products

l. The cement performance in concrete is monitored through application-oriented testing

2. Benefits derived as result of above R&D

a. Effective use of marginal quality raw materials and fuels with improved clinker quality

b. Maintain a lead position in all the market clusters of the country

c. Launch of special high-performance products like F2R, Concrete+, ACC Gold for specific market segments/market climatic conditions

d. Launch of LeakBlock–an internal waterproofing compound/dry-mix mortars for plasters, tile fixing, thin-bed jointing for blocks

e. Increased absorption of blending materials like fly ash and slags in blended cements

f. Effective replacement of the costlier natural Gypsum by cheaper by-products without affecting the quality of cement targeting reduced gypsum cost per tonne of cement

g. Fuel efficiency

h. Reduction in special power consumption for grinding

3. Plan of action

a. Focus on development of products aimed at enhancing use of cement in various applications and development of application-oriented, cement-based cementitious material

b. Development of cement-based niche products

c. Exploratory research works on the above specified areas

d. Use of waste/by-products in cement manufacturing as alternative materials

e. Improve product quality particularly with respect to long-term durability and reduction in cost of manufacture

4. Expenditure on R&Ds

		₹ Crore
a.	Capital	Nil
b.	Recurring (Gross)	1.06
c.	Total	1.06
d.	Total R&D expenditure as percentage of total turnover	0.01%

C. Foreign Exchange Earnings and Outgo

	₹ Crore
Foreign Exchange earned	-
Foreign exchanged used	165.38

36. OTHER DISCLOSURES

36.1 There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

36.2 The Company has not issued any shares with differential voting rights/sweat equity shares.

36.3 There was no revision in the Financial Statements.

36.4 There has been no change in the nature of business of the Company as on the date of this report.

36.5 Prevention of Sexual Harassment of Women at the Workplace

ACC is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. As an organisation, the Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity. The Company has zero tolerance towards any act on the part of any executive, which may fall under the ambit of 'sexual harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive working in the Company.

Further, to provide an empowering and enabling atmosphere to women employees the Company has continuously endeavoured to build the work culture, which promotes the respect and dignity of all women employees across the organisation. The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (**'POSH'**). The said policy has been made available on the internal portal of the Company as well as the website of the Company.

The Company has constituted an Internal Complaints Committee (**'ICC'**) under the POSH. The ICC has been set up comprising four (4) female employees of whom one (1) female employee is the Chairperson of the ICC and two (2) male employees of whom one (1) is the secretary of the ICC. There are two (2) external Members on the ICC who are specialists in dealing with such matters. The employees are sensitised from time to time in respect of matters connected with prevention of sexual harassment. Awareness programmes are conducted at unit levels to sensitise the employees to uphold the dignity of their female colleagues at workplace. The Company also conducted an E-learning programme for employees to cover various aspects of the subject matter. Number of cases filed and their disposal under Section 22 of the POSH is as follows:

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	0
Number of complaints filed during the financial year	4
Number of complaints pending as on the end of the financial year	4*

*These 4 cases were resolved as on the date of this report.

37. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

a) that in the preparation of the annual Financial Statements for the year ended December 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any

b) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2019, and of the profit of the Company for the year ended on that date

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

d) that the annual accounts have been prepared on a going concern basis

e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively

f) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively

38. INTEGRATED REPORTING

For the second year, the Company has drawn up an Integrated Report, which encompasses both financial and non-financial information to enable Members to have a more holistic understanding of the Company's long-term perspective. This year, the Integrated Reporting is more robust than before and details such as the organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital have been added. The Integrated Report for the year 2019 is presented in a separate section, forming part of the Annual Report and also hosted on the Company's website at www.acclimited.com.

The Annual Report also carries a detailed section containing the 'Business Responsibility Report'. Since 2007, the Company has been publishing an annual Corporate Sustainable Development Report (**'SD Report'**) conforming to the guidelines of the Global Reporting Initiative. from the year 2016, these reports are based on the GRI standards in accordance with the 'Comprehensive' option and have been externally assured. This year SD Report has been combined with the Integrated Report.

39. The Board in its Meeting held on February 7, 2020 has approved the Board's Report for the financial year 2019. The said Board's Report for the financial year 2019 has undergone a change only to the extent of change in directorships on the Board of the Company in the Board Meeting held on February 20, 2020.

40. ACKNOWLEDGEMENTS

The Directors express their deep sense of gratitude to the Central and State Government Ministries and departments, shareholders, customers, business associates, bankers, employees, trade unions and all other stakeholders for their support and look forward to their continued assistance in future.

41. CAUTIONARY STATEMENT

Statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events or otherwise.

For and on behalf of the Board of Directors

N. S. Sekhsaria
Chairman

Mumbai
February 20, 2020

Annexure 'A' to the Board's report

DIVIDEND DISTRIBUTION POLICY

This Policy is called 'ACC Limited – Dividend Distribution Policy' (hereinafter referred to as **'the Policy'**). The Policy is framed pursuant to Regulation 43A of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 for the time being in force. The Policy shall come into effect from the receipt of the Board's approval (Effective Date).

The Policy lays down the broad criteria which the Company would take into consideration for the purpose of ascertaining the amount of dividend to be declared keeping in mind the need to maintain a balance between the payout ratio and retained earnings, in order to address future needs of the Company. The policy serves as a guideline for the Board of Directors and the decision of the Board of Directors with respect to the amount of dividend declared for any given period will be final and shall not be open to challenge by any person on the basis of the Policy.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value ₹10 each. The Company currently has no other class of shares. Dividend other than interim dividend shall be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board of Directors has the authority to declare interim dividend.

Subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, growth/ investment requirements and fair shareholder return. The Company will broadly take into consideration the following financial parameters and/or internal and external factors to determine whether or not to declare dividend or to determine the quantum of dividend to be declared.

INTERNAL FACTORS

- Profits earned during the financial year and the retained profits of the previous years in accordance with the provisions of Section 123 and other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder;
- Cash flow position of the Company and the debt : equity ratio;
- Projections with regard to the performance of the Company;
- Fund requirement to finance Capital Expenditure;
- Fund requirement to finance any organic/inorganic growth opportunities or to finance working capital needs of the Company;
- Opportunities for investment of the funds of the Company to capture future growth;
- Dividend payout history.

EXTERNAL FACTORS

- Business cycles and long-term/short-term Industry outlook;
- Cost of external financing;
- Changes in the Government policies, rate of inflation and taxes structure etc;
- Quantum of dividend payout by other comparable concerns etc.

The Company may recommend additional special dividend in special circumstances.

In the event of a loss or inadequacy of profits in a given year, Company may, taking into consideration the shareholder expectations, past dividend payout history etc. declare payment of dividend out of its reserves as may be permitted by the law.

Likewise, in the event of challenging circumstances such as adverse economic cycles and industry projections, the performance of the Company in the coming years, pressure on cash flow on account of various factors such as higher working capital requirements, etc., the Company may, decide not to declare a dividend even when in a given year, the Company had generated profits.

In case it is proposed not to declare dividend during any financial year, the grounds thereof and the information on the manner in which the retained profits of the Company, if any, are being utilised shall be disclosed to the Members in the Board's Report forming part of the Annual Report of the Company for the given financial year.

The Chief Executive Officer & Managing Director and the Chief Financial Officer, considering various internal and external factors and the overall performance of the Company, shall jointly make a recommendation to the Board of Directors with regard to whether or not to declare a dividend and in case a dividend is recommended, the quantum of dividend to be declared.

The retained earnings of the Company may be used in any of the following ways:

- Capital expenditure, and for the purpose of any organic and/or inorganic growth,
- Declaration of dividend,
- Issue of Bonus shares or buy back of shares,
- Other permissible usage as per the Companies Act, 2013.

The policy may be modified as may, in the opinion of the Board of Directors be deemed necessary.

The Policy will be available on the Company's website at www.acclimited.com and will also be disclosed in the Company's Annual Report.

Annexure 'B' to the Board's report

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND MEMBERS OF THE EXECUTIVE COMMITTEE

Remuneration Philosophy

The collective responsibility of the Board of Directors is the guiding principle in determining the compensation for Non-Executive Directors, whilst at the same time recognising and adequately compensating the Chairman of the Board of Directors, the Chairman of the Audit Committee and Members of the Audit Committee and Compliance Committee for the additional responsibilities shouldered by them. The Chairman of the Board is required to provide leadership and balance conflicts of interest, if any, so that decisions are taken in the best interests of the Company and to ensure highest standards of governance. Likewise, the Members of the Audit Committee and the Compliance Committee have the onerous responsibility to respectively ensure adequacy of internal controls, robustness of financial policies and accounting/principles and compliance with applicable laws. The Members of the Audit Committee and the Compliance Committee and particularly the Chairman of the Audit Committee is required to spend considerable time for providing guidance to the Management in dealing with major issues.

Remuneration

The remuneration of the Non-Executive Directors is determined within the limits prescribed under Section 197 read with the Rules framed thereunder and Schedule V to the Companies Act, 2013 (hereinafter collectively referred to as "the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations").

The Non-Executive Directors of the Company receive remuneration by way of sitting fees for attending the Board/Committee Meetings and commission as detailed hereunder:

i. sitting fees for each meeting of the Board or Committee of the Board attended by the Director, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act;

ii. subject to the approval of the Members in General Meeting, payment of commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee, subject to the ceiling prescribed under the Act. Pursuant thereto, the total commission payable to the Directors shall not exceed 1% of the net profit of the Company;

iii. the commission is generally paid on a 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 having regard to the onerous responsibilities required to be shouldered by the Director etc.;

vi. the Nomination & Remuneration Committee may recommend to the Board, for the payment of an 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 as 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 commission shall be payable on a prorata basis to those Directors who occupy office for part of the year;

ix. 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.

The CSR & Sustainability Committee has decided not to accept any sitting fees and pursuant thereto, no sitting fees are paid to the Members of the CSR & Sustainability Committee for attending CSR & Sustainability Committee Meetings.

Remuneration Policy for the Chief Executive Officer & Managing Director (CEO & MD) and Executive Committee Members

The Company's compensation philosophy for the CEO & MD and the Executive Committee Members is broadly guided by the fact that the Company gains a competitive advantage in attracting, retaining and motivating talent. This can be ensured by providing a remuneration structure which when benchmarked with comparable companies within the industry/sector compares favourably so as to attract talent. At the same time the reward proposition is linked to the overall company's performance, individual performance, employee's potential, criticality of the function and its importance for achieving a competitive advantage in business.

Remuneration Policy for the CEO & MD

i. The CEO & MD 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 CEO & MD, within the overall limits prescribed under the Act.

ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

iii. The remuneration of the CEO & MD shall be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus and other long-term incentives.

iv. In determining the remuneration the Nomination & Remuneration Committee shall consider the following:

   a) the relationship between remuneration and performance;

   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 CEO & MD, the industry benchmarks and current trends;

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

   e) in keeping with best industry practices, to ensure that the remuneration is competitive and that it compares favourably with the Industry.

Remuneration Policy for the Key Managerial Personnel and the Executive Committee Members

i. In determining the remuneration of the Key Managerial Personnel (KMP) and Executive Committee Members, the Nomination & Remuneration Committee shall consider the following:

   a) the relationship between remuneration and performance;

   b) the 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 comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

   d) the remuneration including annual increment and performance bonus, 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 benchmarks and current compensation trends in the market.

ii. The CEO & MD will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination & Remuneration Committee for its review.

CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT AS DIRECTORS, KEY MANAGERIAL PERSONNEL AND MEMBERS OF THE EXECUTIVE COMMITTEE

The Nomination & Remuneration Committee plays an important role in ensuring that there is a formal and transparent process for appointment to the Board of Directors and is, *inter alia*, responsible for identifying potential candidates for appointment as Directors. The Committee takes into account the Board's existing composition vis-á-vis the need to have a broad based and diverse Board commensurate with the size and complexity of the Company's operations. This ensures that the Company gets the maximum benefits from the contributions and deliberations of an accomplished and diverse group of individuals and professionals, that issues are discussed from different angles fostering creativity in the Board's decision-making process as well as provide for comprehensive strategic planning and effective risk management at the highest level.

Some of the important criteria considered by the Nomination & Remuneration Committee in identifying candidates for appointment as Directors are:

a) selection of candidates from a wide cross section of industries and professional backgrounds, qualifications, expertise and experience of the candidate, their domain and functional knowledge in the fields of manufacturing, marketing, finance, taxation, law, governance and general management so as to enable the Board to discharge its function and duties effectively;

b) in case of recommendation for appointment of Independent Directors, the Nomination & Remuneration Committee shall also satisfy itself with regard to the independent nature of the Director *vis-à-vis* the Company;

c) the candidates identified for appointment as Directors should not be qualified for appointment under Section 164 of the Act;

d) the following attributes/criteria will be considered whilst recommending the candidature for appointment as Director:

   i. age of the candidate;

   ii. integrity of the candidate;

   iii. personal, Professional or Business Standing;

   iv. diversity of the Board;

   v. positive attributes of the candidate;

   vi. in case of re-appointment of Non-Executive Directors, the Nomination & Remuneration Committee whilst making its recommendation to the Board of Directors, shall take into consideration the performance evaluation of the Director and his engagement level.

The Nomination & Remuneration Committee shall meet potential candidates to assess their level of competence, experience and their personal and other positive attributes before making its recommendation to the Board.

For the purpose of assessing the attributes of the candidate, the Committee shall, *inter alia*, take into consideration whether the candidate demonstrates:

- high standards of ethical behaviour;
- positive disposition, good interpersonal and communication skills;
- ability to think independently without being influenced by extraneous circumstances or consideration;
- capability to act with reasonable care, in good faith and in the best interests of the Company and its stakeholders;
- ability to devote time and attention for the business and governance of the Company;
- refrain from situations that may have a direct or indirect conflict of interest with those of the Company;
- acceptance to abide by the Company's Code of Business Conduct.

The Board of Directors (including the Nomination & Remuneration Committee) periodically review vacancies likely to occur on the completion of the tenure of Non- executive Directors for timely filling of such vacancies.

In the selection of the CEO & MD, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise and experience, domain and functional knowledge required for such office and who demonstrate positive attributes as explained above. The ability of the candidate to adapt to the organisational culture and ethos are also considered. The Committee also ensures that the identified candidate is not disqualified for appointment as a Director. In this regard, the Committee also takes into consideration the recommendations received from any Member of the Committee/Board of Directors. In case of appointment of persons to the Executive Committee, the Nomination & Remuneration Committee considers the recommendation of the CEO & MD in this regard, who shall base his recommendation on the assessment of the qualifications, expertise and experience functional knowledge and skills of the candidate, his/her positive attributes and the ability and agility of the candidate to adapt to the overall organisational culture and ethos.

Annexure 'C' to the Board's report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy is stated herein below:
https://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf

2. The Composition of the CSR & Sustainability Committee:

- Mr. Shailesh Haribhakti, Chairman
  (Independent Director)
- Ms. Falguni Nayar, Member
  (Independent Director)
- Mr. Christof Hassig, Member
  (Non Independent Non-Executive Director)
  (appointed as member of the Committee w.e.f. March 27, 2019)
  (ceased to a Director w.e.f. February 20, 2020)
- Mr. Vijay Kumar Sharma, Member
  (Non Independent Non-Executive Director)
  (appointed as member of the Committee w.e.f. March 27, 2019)
- Mr. Neeraj Akhoury, Member
  (Executive Director, MD & CEO up till February 20, 2020)
  (appointed as an Additional Director w.e.f. February 21, 2020)
- Mr. Sridhar Balakrishnan, Member
  (Executive Director)
  (appointed as MD & CEO w.e.f. February 21, 2020)

3. Average net profit of the Company for last three (3) financial years:

₹1,194.91 Crore

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹23.90 Crore

5. Details of CSR spent for the financial year:

a) Total amount to be spent for the financial year:
₹23.90 Crore
(However, in the financial year 2019, the Company's total spending on CSR amounts to ₹25.07 Crore which is 2.10% of the average net profit after taxes in the previous three (3) financial years)

b) Amount unspent, if any:
Not Applicable

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Programme -wise (₹ Crore)	Amount Spent on the project or programmes (₹ Crore) Sub-Heads: 1. Direct Expenditure on Projects or programmes 2. Overheads	Cumulative Expenditure upto reporting period (₹ Crore)	Amount Spent: Direct or through implementation agency (₹ Crore)
1.	ACC DISHA	Youth Employability (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Palghar (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu), Erode (Tamil Nadu) and Kerala	4.50	4.50	4.50	4.50
2.	ACC- LEISA	Sustainable Agriculture (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka) and Coimbatore (Tamil Nadu)	4.02	4.02	4.02	4.02
3.	ACC - Swavlamban	Women Empowerment (Schedule VII – (iii) Promoting gender, equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu), Bengaluru (Karnataka)	1.81	1.81	1.81	1.81

Sr. No.	CSR Projects/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Programme -wise (₹ Crore)	Amount Spent on the project or programmes (₹ Crore) Sub-Heads: 1. Direct Expenditure on Projects or programmes 2. Overheads	Cumulative Expenditure upto reporting period (₹ Crore)	Amount Spent: Direct or through implementation agency (₹ Crore)
4.	ACC Vidya Utkarsh	Quality Education (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Shrawasti (Uttar Pradesh), Shahazanhapur (Uttar Pradesh), Jaunpur (Uttar Pradesh), Mirzapur (Uttar Pradesh), Mewat (Haryana), Sirmaur (Himachal Pradesh), Sheopur (Madhya Pradesh), Rudraprayag (Uttarakhand), Alwar (Rajasthan), Coimbatore (Tamil Nadu), Thane (Maharashtra), Mohali (Punjab), Kolkata (West Bengal), Bhubaneshwar (Odisha), Bengaluru (Karnataka), Raigad (Maharashtra)	5.09	5.09	5.09	5.09
5.	ACC Vidya Saarathi	Scholarship and support (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	0.68	0.68	0.68	0.68

Sr. No.	CSR Projects/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Programme -wise (₹ Crore)	Amount Spent on the project or programmes (₹ Crore) Sub-Heads: 1. Direct Expenditure on Projects or programmes 2. Overheads	Cumulative Expenditure upto reporting period (₹ Crore)	Amount Spent: Direct or through implementation agency (₹ Crore)
6.	ACC-Arogyam	Health (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Nagpur (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	2.73	2.73	2.73	2.73
7.	ACC - Sampoorn Swachhata	Sanitation (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Coimbatore (Tamil Nadu)	2.71	2.71	2.71	2.71
8.	ACC Sanrakshit Paryavaran	Conservation of Environment (Schedule VII – (iv) 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)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Coimbatore (Tamil Nadu) Aurangabad (Maharashtra) and Beed (Maharashtra), Jalandhar (Punjab)	1.57	1.57	1.57	1.57

Sr. No.	CSR Projects/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Programme -wise (₹ Crore)	Amount Spent on the project or programmes (₹ Crore) Sub-Heads: 1. Direct Expenditure on Projects or programmes 2. Overheads	Cumulative Expenditure upto reporting period (₹ Crore)	Amount Spent: Direct or through implementation agency (₹ Crore)
9.	ACC -Drona	Promoting Local, Arts and Culture (Schedule VII – (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports) (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	0.76	0.76	0.76	0.76
10.	Overheads			1.20	1.20	1.20	1.20
	TOTAL			**25.07**	**25.07**	**25.07**	**25.07**

Details of some of the implementing agencies –

1. ACC Trust, 2. Manav Vikas Sansthan, 3. Hand in Hand Inclusive Development Services, 4. Amhi Amchya Arogyasathi, 5. SHARE, 6. Head Held High, Bengaluru, 7. ACC MAVIM Loksanchalit Sadhan Kendra - CMRC- Ghugus, 8. ASSEFA, 9. American India Foundation, New Delhi 10. Dehat (Developmental Association for Human Advancement) Bahraich, 11. Dilasa Janvikas Pratishthan, Aurangabad, 12. Forum for Rural Development (FORD), 13. Creative India 14. HARITIKA, 15. Gugga Mela Utsav Samiti, 16. Ranthambhor Seva Sansthan, Jaipur 17. IIMPACT, New Delhi, 18. PHIA Foundation, Ranchi, Jharkhand 19. Jan Sevak Samiti, Bhilai, 20. Imayam Social Welfare Association, 21. Mahashakti Foundation, 22. Shanti Ashram, 23. Naad Gunjan Kala Parishad, 24. Centre for Total Development, 25. Netaji Youth Brigade, 26. SANSKAR, 27. Sarva Seva Samiti Sanstha, Bargarh 28. GPR Strategy and Solution, 29. Loka Kalyan Parishad, 30. UDYOGINI, 31. AHEAD Trust

6. In case, the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its board report:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the Company:

ACC CSR projects were designed, implemented and periodically monitored based on need assessment reports and CSR Policy of the Company, which in turn is based on and implemented with statutory requirements.

Sd/
Neeraj Akhoury
MD & CEO

Sd/
Shailesh V. Haribhakti
Chairman, CSR & Sustainability Committee

Annexure 'D' to the Board's report

FORM NO. AOC-2

January to December - 2019

Particulars of contracts contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended December 31, 2019, which are not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangements or transactions at arm's length basis for the year ended December 31, 2019 are as follows;

Name of the related party	Nature of Relationship	Duration of Contract	Sailent Terms	Amount (₹ Crore)
Nature of Contract				
Purchase of goods				
Ambuja Cements Limited	Holding Company	January 1, 2019 - December 31, 2019[1]	Based on Transfer Pricing Guidelines	95.4
				95.4
Sale of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2019 - December 31, 2019[1]	Based on Transfer Pricing Guidelines	104.5
				104.5
Use of Technology and Knowhow				
Holcim Technology Limited	Fellow Subsidiary	January 1, 2019 - December 31, 2019[2]	Based on Transfer Pricing Guidelines	152.3
				152.3

Notes:

1. On April 16, 2018, the Shareholders approved the Master Supply Agreement between the Company and Ambuja Cements Limited for sale of purchase of cement, clinker, raw materials and spare parts.
2. On June 13, 2018, the Shareholders approved the execution of the Technical Know How Agreement with Holcim Technology Ltd for 3 years from January 1, 2018.

Annexure 'E' to the Board's report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ACC LIMITED

Dear Sir/Madam,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by ACC Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis fore valuating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's Books, Papers, Minute Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended December 31, 2019, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended December 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

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

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
2. Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 &SS-2).

We further report that

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

Adequate notice is given to all directors to schedule the Board/Committee 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.

It is noted that majority decisions are carried through and proper systems are in place which facilitates/ ensures to capture and record, the dissenting member's views, if any, as part of the minutes. During the period, all the decisions in the Board Meetings were carried unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We further report that there are adequate systems and processes in the Company which are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and during the audit period there were no specific events/actions which have a major bearing on the Company's affairs.

We further report that during the audit period there were no specific events/actions which have a major bearing on the Company's affairs.

Pramod S. Shah & Associates
(Practicing Company Secretaries)

Pramod S. Shah – Partner
M/s. Pramod S. Shah & Associates
Membership No.: FCS 334
C.P No.: 3804
UDIN:F000334B000102997

Place: Mumbai
Date: January 28, 2020

Annexure ‘F’ to the Board’s report

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure
1.	(i) The percentage increase in remuneration of CFO and CS in the financial year and (ii) Ratio of Remuneration of each KMP to the median remuneration of all the employees of the Company for the year 2019	Figures are not comparable as employee worked only part of the year as detailed below: **Notes:** 1. Mr. Sunil Nayak demitted the office as Chief Financial Officer w.e.f. August 1, 2019 2. Mr. Kalidas Ramaswami demitted office as Company Secretary & Head Compliance w.e.f. September 26, 2019 3. Ms. Rajani Kesari took charge as Chief Financial Officer w.e.f. August 1, 2019 4. Mr. Rajiv Choubey Chief Legal Officer and Company Secretary was appointed w.e.f. September 26, 2019
2.	The percentage increase in the median remuneration of employees in the financial year	15%
3.	The number of permanent employees on the rolls of the Company	6643
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the salaries of the employees other than Managerial Personnel *(i.e. MD & CEO)* is 7.5%. The average increase in remuneration of employees other than the Managerial Personnel is in line with the industry practice and is within normal range.
5.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed
6.	Median Remuneration of all the employees of the Company (₹ Lakh)	₹5.63 Lakh

7. Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for the year 2019

Name of Director and KMP	Remuneration (₹ Lakh) 2019	Remuneration (₹ Lakh) 2018	% Increase in remuneration in financial year 2019	Ratio to median Remuneration of all employees
Non-Executive Directors				
Mr. N. S. Sekhsaria, Chairman	53.70	54.10	(1)	10
Mr. Jan Jenisch, Deputy Chairman	21.00	21.00	--	4
Mr. Martin Kriegner*	--	4.30	--	--
Mr. Christof Hassig	22.30	23.00	(3)	4
Mr. Vijay Kumar Sharma	23.10	20.50	13	4
Independent Directors				
Mr. Shailesh Haribhakti	42.50	42.70	--	8
Mr. Sushil Kumar Roongta	45.00	44.90	--	8
Mr. Ashwin Dani (up to March 22, 2019)	9.29	42.10	--	2
Mr. Farrokh K Kavarana (up to March 22, 2019)	9.89	42.90	--	2
Mr. Arunkumar Gandhi (up to March 22, 2019)	11.29	53.30	--	2
Ms. Falguni Nayar	22.60	23.10	(2)	4
Mr. Sunil Mehta (appointed w.e.f. March 22, 2019)	32.01	--	--	6
Mr. D. Sundaram (appointed w.e.f. March 22, 2019)	40.34	--	--	7
Mr. Vinayak Chatterjee (appointed w.e.f. March 22, 2019)	32.81	--	--	6
EXECUTIVE DIRECTOR				
Mr. Neeraj Akhoury MD & CEO (appointed as MD & CEO w.e.f. february 07, 2017) (ceased to be MD & CEO w.e.f. February 20, 2020) (appointed as an Additional Director w.e.f. February 21, 2020)	889.78@	713.10	25	158

Notes:

The details given herein above are on accrual basis.

The % increase of remuneration is provided for only those directors and KMPs who have drawn remuneration from the Company for full financial year 2019. The ratios of remuneration to median remuneration of all the employees is provided only for those Directors & KMPs who have drawn remuneration for full financial year 2019.

*Mr. Martin Kriegner has waived his right to receive Directors' commission and sitting fees for the year 2019.

@The remuneration of Mr. Akhoury includes the Performance Linked Incentive of ₹227.57 Lakh for the year 2018.

Report on Corporate Governance

The Board of Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (**'SEBI Listing Regulations'**) as amended, for the year ended December 31, 2019.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As one of India's leading manufacturers of Cement and Ready-Mixed Concrete (RMX), ACC has always been at the vanguard of setting industry benchmarks. It has a rich legacy of putting in place a formalised mechanism of corporate governance, long before it became a statutory requirement. The Company's governance framework enshrines the highest standards of ethical and responsible conduct of business to create enduring value for all stakeholders.

The Company's governance framework and philosophy are based on the bedrock of ethics, values and trust. These principles have been integrated into the organisation's DNA in over eight (8) decades of its existence. As part of its growth strategy, ACC emulates the 'best practices' that are followed in the domain of corporate governance globally.

The Company emphasises on the need for complete transparency and accountability in all its dealings to protect stakeholder interests. The governance framework encourages the efficient utilisation of resources and accountability for stewardship. The Board considers itself as the custodian of trust and acknowledges its responsibilities towards stakeholders for wealth creation sustainably and responsibly.

Integrity, transparency, fairness, accountability and adherence with the law are inextricably embedded in the Company's business practices. These principles have evolved, over the years, from the Company's dynamic culture, innovative thought trajectories and past experiences; and have helped inculcate stakeholder trust and confidence, attracting and retaining financial and human capital, and in meeting societal aspirations.

The Company has rigorously stood by the core principles of corporate governance, which have been the edifice of its two-fold governance model, with the Board of Directors and the Committees of the Board at the apex, and the management structure at the operational level. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhances stakeholder value.

Board of Directors

ACC is a professionally managed company functioning under the overall supervision of the Board of Directors (**'Board'**). Its Board is a combination of Independent and Non Independent Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 (**'the Act'**) and the (**'SEBI Listing Regulations'**) as amended from time to time. The Company's Managing Director and Chief Executive Officer is the only Executive Director on the Board.

The Board of Directors comprises of highly experienced and persons of repute & eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustainable profitable growth.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

Committee of Directors

Having regard to the significant contributions that committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its following Committees closely monitor various areas of business. These committees comprises the i) Audit Committee, ii) Stakeholders' Relationship Committee, iii) Nomination & Remuneration Committee, iv) Risk Management Committee, v) Corporate Social Responsibility & Sustainability (**'CSR & Sustainability'**) Committee and vi) Compliance Committee.

During the year, the purview of the CSR Committee has been widened to cover sustainability and with effect from October 15, 2019, the Committee has been renamed as the 'CSR and Sustainability Committee'. These Committee are mandated under law and operate within the terms of reference laid down by the Board as also under the SEBI Listing Regulations.

Besides, the Board has voluntarily set up the Compliance Committee, which oversees the legal compliance process and the status of litigations both by and against the Company.

Managing Director & Chief Executive Officer (MD & CEO)

The MD & CEO is at the helm of operations and responsible for the Company's day-to-day operations. MD & CEO functions according to the guidance and direction provided by the Board and provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board and its various Committees.

Executive Committee (ExCo)

The ExCo comprises of persons belonging to the senior management cadre who are drawn from a cross-section of functions and responsibilities. The Committee supports the MD & CEO and operates within the framework of the policies laid down by the Board; and is responsible and accountable for overall business deliverables.

The ExCo meets regularly to review and monitor the performance *vis-à-vis* the annual plans and budgets, discusses cross-functional operational matters and addresses business challenges and issues.

Organisational structure, roles and responsibilities

ACC operates its business with a functional organisational structure. It provides the expertise to face operational challenges with agility and efficiency; and is led by the ExCo team and other functional heads.

Led by the MD & CEO, it comprises verticals for the functions of Sales & Marketing, Manufacturing, Human Resources, Finance, Procurement, Supply Chain, Legal functions & RMX functions. The business operates through three (3) regional manufacturing clusters (North, East and South-West) and four (4) regional Sales & Marketing Offices (North, East, South and West).

The Regional Heads for Sales, Logistics, Finance and Human Resources have a direct reporting line to the respective vertical heads. The heads of plants reports to the respective manufacturing cluster head in the region. The procurement activities are managed by the India Procurement Organisation executed from five (5) procurement cluster offices. The Finance, Human Resources, Procurement, Supply Chain, Sales & Marketing, Legal, Secretarial & Compliance, Health & Safety functions report to the MD & CEO.

BOARD OF DIRECTORS

Key Board qualifications, expertise and attributes

The ACC Board comprises people of eminence and repute who bring the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The Board takes care of the business and stakeholders' interest. The Non-Executive Directors, including the Independent Directors are well qualified, experienced and renowned persons from the fields of manufacturing, finance, banking, infrastructure, taxation, governance, knowledge in mines and metallurgy, mergers and acquisitions and technology, amongst others. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance, and compliance, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

None of the Directors have attained the age of Seventy five (75) years.

Composition of the Board as on December 31, 2019

Category	Number of Directors
Non-Executive & Independent Directors (including Woman Director)	06
Other Non-Executive Directors	05
Executive Director	01

Directors' profile

The Board of Directors comprises professionals of eminence and stature drawn from diverse fields. They collectively bring to the fore a wide repertoire of skills and experience, which elevates the quality of the Board's decision-making.

Mr. N. S. Sekhsaria (DIN:00276351)

(Non-Executive and Non Independent Director)

Mr. Sekhsaria is a doyen of India's cement industry and is one of the most respected business personalities in the country. He introduced new standards in Management, Marketing, Efficiency and Corporate Social Responsibility to the cement industry, which he helped transform.

A first-generation industrialist, Mr. Sekhsaria obtained his Bachelor's degree in Chemical Engineering with honours and distinction from the University of Bombay. He is the principal Founder-Promoter and the current Chairman of Ambuja Cements Limited (**'Ambuja Cements'**). Mr. Sekhsaria was invited to join the ACC Board in 1999 and was appointed Deputy Chairman in January 2000. In 2006, Mr. Sekhsaria took over as the Board's Chairman.

Mr. Sekhsaria built Ambuja Cements, setting benchmarks for the country's cement sector. His acumen as an entrepreneur and technocrat turned Ambuja Cements into the most efficient and profitable cement company in India and redefined industry practices by changing the perception of cement from a commodity to a branded product. He also championed community development by establishing the Ambuja Cement Foundation and nurturing it into an epitome of excellence in social responsibility.

With his considerable wealth of experience, Mr. Sekhsaria brings immense value to the Board of the Company. Under his leadership, the Company has achieved significant improvements in the areas of project management, logistics and overall cost-competitiveness. The impact of this guidance shows in the high growth trajectory ACC has experienced since 1999.

Mr. Sekhsaria is a Member of the Board's Nomination and Remuneration Committee.

Mr. Sekhsaria is a Non-Executive Director and is not in any way related to the MD & CEO.

Expertise in specific functional areas	Doyen of the cement industry, he has been responsible for transforming the cement industry by setting benchmarks in the areas of Management, Marketing & Logistics and Manufacturing Efficiencies and Sustainable Development
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited, Non-Executive Chairman; JM Financial Asset Reconstruction Company Limited, Non-Executive Director; Everest Industries Limited, Non-Executive Director

Mr. Jan Jenisch (DIN:07957196)

(Non-Executive and Non Independent Director)

Mr. Jenisch was inducted on the Board with effect from October 17, 2017 upon his appointment as the Chief Executive Officer (**'CEO'**) of LafargeHolcim Ltd. (**'LH'**), the Ultimate Parent Company.

Mr. Jenisch is a German national and has joined LH as its CEO on September 1, 2017. Prior to his joining LafargeHolcim, he has served with Sika AG since 1996 in various management functions and countries.

He was appointed to the Management Board of Sika AG in 2004 as Head of the Industry Division and served as President Asia Pacific from 2007 to 2012. Mr. Jenisch was the Chief Executive Officer of Sika AG from 2012 and under his leadership, it expanded into unexplored markets and set new performance standards in sales and profitability.

Mr. Jenisch graduated from the University of Fribourg, Switzerland and holds an MBA degree.

Expertise in specific functional areas	Business Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited, Non-Executive, Vice Chairman

Mr. Neeraj Akhoury (DIN:07419090)

[MD & CEO – up to February 20, 2020 and appointed as an Additional Director (Non-Executive and Non Independent Director) with effect from February 21, 2020]

Mr. Akhoury brings with him 25+ years of rich experience in the steel and cement industries. He has worked in leadership roles in India and other emerging markets. He began his career with Tata Steel in 1993 and joined the LH Group in 1999.

He was a member of the Executive Committee of Lafarge India, heading corporate affairs followed by sales. In 2011, he moved to Nigeria as CEO & Managing Director of Lafarge AshakaCem PLC. Thereafter, he was appointed as Strategy & Business Development Director for the Middle East & Africa at the Lafarge headquarters in Paris. He was also the CEO of Lafarge Surma Cement Limited and country representative of LH, Bangladesh.

Mr. Akhoury has a degree in Economics and an MBA from the University of Liverpool. He has also studied one-year General Management at XLRI, Jamshedpur. He is an alumnus of the Harvard Business School (GMP).

Mr. Akhoury was the MD & CEO up till February 20, 2020, held Membership on the Compliance Committee, Risk Management Committee, Stakeholders' Relationship Committee and CSR & Sustainability Committee of the Board. Mr. Akhoury continues to be a Member of CSR & Sustainability Committee after his appointment as Additional Director on the Board of the Company w.e.f. February 21, 2020.

Mr. Akhoury is not related to the Chairman or any other Member of the Board.

Expertise in specific functional areas	Corporate Strategy, Sales & Distribution Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited, MD & CEO, (w.e.f. February 21, 2020); Bulk Cement Corporation (India) Limited, Non-Executive Director; Holcim Services (South Asia) Limited, Non-Executive Director

Mr. Martin Kriegner
(DIN:00077715)
(Non-Executive and Non Independent Director)

Mr. Kriegner is an Austrian national and has been a Member of the Executive Committee of LH since August 2016 and is the Region Head of Asia Pacific. He is a graduate of Vienna University with a Doctorate in Law and has an MBA from the University of Economics in Vienna.

Mr. Kriegner joined the Group in 1990 and became the CEO of Perlmooser AG, Austria in 1998. He moved to India as the CEO of the Lafarge operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur.

In 2012, he was appointed the CEO of Lafarge India for Cement, RMX and Aggregates. In July 2015, he became the Area Manager Central Europe for LH operations. He is also globally in-charge for cement manufacturing, logistics, commercial and geocycle.

Mr. Kriegner is a Member on the Audit Committee and Nomination & Remuneration Committee of the Board.

Expertise in specific functional areas	Operations, Finance & General Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited, Non-Executive Director

Mr. Shailesh Haribhakti
(DIN:00007347)
(Non-Executive and Independent Director)

Mr. Haribhakti is a Chartered & Cost Accountant, A Certified Internal Auditor, Financial Planner and Fraud Examiner. His career spans over four (4) decades. He is currently the Chairman of M/s. Shailesh Haribhakti & Associates, Chartered Accountants.

Mr. Haribhakti has in the past worked as the Chairman of United Way of India (2018-2019), NPS Trust (2015-2017) constituted by the Pension Fund Regulatory & Development Authority, Western India Regional Council (WIRC), Institute of Chartered Accountants of India (ICAI) and Financial Planning and Standards Board.

He was also the President of Indian Merchants Chamber, Rotary Club of Bombay (July 2014-June 2015), Institute of Internal Auditors (IIA), Bombay Chapter and Bombay Management Association (BMA). He was a member of Securities and Exchange Board of India (SEBI), Committee on Disclosures and Accounting Standards and member of Takeover Panel and International Accounting Standards Board (IASB) and Standards Advisory Council.

Mr. Haribhakti is the Chairman of the Nomination & Remuneration Committee and CSR & Sustainability Committee and Member of the Stakeholders' Relationship Committee, Risk Management Committee and Compliance Committee of the Board.

Expertise in specific functional areas	Auditing, Tax and Risk Advisory Services
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited, Independent Director; Torrent Pharmaceuticals Limited, Independent Director; Blue Star Limited, Non-Executive Chairman & Independent Director; NSDL E-Governance Infrastructure Limited, Non-Executive Chairman & Independent Director; Bajaj Electricals Limited, Additional Non-Executive Independent Director; Bennett Coleman & Company Limited, Independent Director; Future Lifestyle Fashions Limited, Non-Executive Chairman & Independent Director; L&T Finance Holdings Limited, Independent Director; L&T Mutual Fund Trustee Limited, Non-Executive Director & Chairman

Mr. Sushil Kumar Roongta
(DIN:00309302)
(Non-Executive and Independent Director)

Mr. Roongta holds a degree in Bachelor of Engineering from the Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate Diploma in Business Management – International Trade from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA).

He has a wide and varied experience in public sector undertakings. During his tenure as SAIL's Chairman from August 2006 to May 2010, the ranking of SAIL among 'World Class Steel Makers' moved up to the second (2nd) position from the Seventeenth (17th) position, as per World Steel Dynamics, USA.

Mr. Roongta headed a 'Panel of Experts on the Reforms in the Central PSEs', constituted by the Planning Commission. He has also been a Member of the Committee formed by the Ministry of

Corporate Affairs, to formulate a policy document on corporate governance.

He is associated with several academic institutions, and has been the Chairman, Board of Governors, IIT Bhubaneswar (2012-2015) and is a Member of Board of Management, J.K. Lakshmipat University. He is also associated with apex chambers, being a Member of National Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI). He also chairs National Expert Committee on Minerals & Metals of Indian Chambers of Commerce (ICC) and Member of NEC of PHD Chamber of Commerce and Industry.

Mr. Roongta is a recipient of several awards and accolades including SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management – Individual Category and IIM-JRD Tata award for Excellence in corporate leadership in Metallurgical Industries-2016.

Mr. Roongta is the Chairman of the Compliance Committee and a Member on the Audit Committee, and the Risk Management Committee of the Board.

Expertise in specific functional areas	General Management and expert knowledge in Mines and Metallurgy Industries
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Jubilant Agri and Consumer Products Limited, Independent Director; Hero Steels Limited, Independent Director; Talwandi Sabo Power Limited, Non-Executive Director; Jubilant Industries Limited, Independent Director; Jubilant Life Sciences Limited; Independent Director; Bharat Aluminium Co. Limited, Non-Executive Chairman; Great Eastern Energy Corporation Limited, Independent Director; JK Paper Limited, Non-Executive Director

Mr. Vijay Kumar Sharma (DIN:02449088)

(Non-Executive and Non Independent Director)

Mr. Sharma was the Chairman of Life Insurance Corporation of India (**'LIC'**) until he attained superannuation from the corporation with effect from January 1, 2019. LIC has confirmed that Mr. Sharma continues to be their representative on the Company's Board after his superannuation.

Prior to his taking over as LIC's Chairman on December 16, 2016, he served as Chairman (in-charge) from September 16, 2016 and Managing Director, LIC from November 1, 2013. From December 2010 to November 2013, he served as Managing Director & Chief Executive Officer, LIC Housing Finance Limited (**'LICHFL'**), a Premier Housing Finance Company in the country.

Mr. Sharma is a post-graduate from the Patna University. He joined LIC as Direct Recruit Officer in 1981 and grew up with the corporation since then. He held various challenging assignments in different parts of India and in all operational streams, including overall responsibility at different levels.

He held various challenging assignments pan India, which has significantly enriched his experience and honed his insight in India's demographics, socio-economic needs of different regions and multi-cultural challenges in the implementation of the Company's objectives.

As MD & CEO of LICHFL, he stabilised its operations under the most challenging circumstances of negative media glare, intense scrutiny by regulators and turned it around to be the best Housing Finance Company in 2011.

An inspirational leader who utilises negotiation skills gained over 37 years of extensive experience in insurance and financial sectors and strongly connects to the grassroots, believes in bottom-up approach and has the ability to see the big picture and translate it to reality.

He is known as growth leader, paving the way for the organisation to surge ahead in all segments of performance. Mr. Sharma was Chairman, Board of Directors of LICHFL, LIC (International) Bahrain B.S. C (C), Life Insurance Corporation Singapore Pte. Ltd. and other companies. He was also the Director on Board of Kenindia Assurance Co. Ltd.

Mr. Sharma is a Member on the Risk Management Committee and CSR & Sustainability Committee of the Board.

Expertise in specific functional areas	Business Strategy, Product Development & Branding, Risk Mitigation and Compliance
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Tata Steel Limited, Non-Executive Director; Mahindra & Mahindra Limited, Non-Executive Director

Ms. Falguni Nayar
(DIN:00003633)
(Non-Executive and Independent Director)

Ms. Nayar is a graduate from the Sydenham College of Commerce & Economics and a post-graduate from the Indian Institute of Management, Ahmedabad.

She has a rich experience of over three (3) decades. Ms. Nayar commenced her career as a Manager and Consultant at A F Ferguson & Company. In 1993, she joined Kotak Mahindra Group to lead the M&A and Project Advisory initiatives. She has held senior positions in various capacities and was the MD & CEO of Kotak Investment Bank from 2006 to 2012. She is the Founder and CEO of Nykaa, a beauty retail platform, which she launched in 2012.

Ms. Nayar has been part of the Top Woman in Business by Business Today, Top 50 Most Powerful Women by Fortune India and Asia's Power Businesswomen by Forbes Asia lists. She has been awarded the 'Beauty Gamechanger' title by Vogue India, the 'Woman Ahead' award at The Economic Times Start-Up Awards and the 'Businesswoman of the Year' at the ET Corporate Excellence Awards. Recently, Ms. Nayar, as the founder CEO of Nykaa E-retail won the 'EY start-up of the year award'.

Ms. Nayar is the Chairperson of the Risk Management Committee and a Member of the CSR & Sustainability Committee of the Board.

Expertise in specific functional areas	Financial Services and E-marketing
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Dabur India Limited, Independent Director; Tata Technologies Limited, Independent Director; Kotak Securities Limited, Independent Director; Endurance Technologies Limited, Independent Director

Mr. Christof Hassig
(DIN:01680305)
(Non-Executive and Non Independent Director up to February 20, 2020)

Mr. Hassig heads the Corporate Strategy and Mergers & Acquisitions function in LH, reporting directly to the CEO.

Before joining Holcim Limited (now LafargeHolcim) in 1999, Mr. Hassig worked for 25 years at UBS in different functions, including as Global Relationship Manager and Investment Banker for multinational corporations in Switzerland and other countries.

In his earlier role at Holcim, he was reporting directly to the Chief Financial Officer with many direct links to all other Executive Directors including CEO. For the last fifteen (15) years, he has built and led the department of Corporate Finance and Treasury. This function spans across all geographic regions and includes a matrix organisation with the finance department of the operating companies in various countries.

In December 2012, he took over additional responsibilities as head of the newly created Mergers & Acquisitions function on Group level.

He started his career with a three-year apprenticeship in banking followed by a Master's degree in Banking and Advanced Management Programme at Harvard Business School in 2006.

Mr. Hassig in his role as Director of the Company, up till February 20, 2020, held Membership in the Stakeholders' Relationship Committee and CSR & Sustainability Committee of the Board.

Expertise in specific functional areas	Corporate Finance & Treasury, Mergers and Acquisitions
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited, Non-Executive Director

Mr. D. Sundaram
(DIN:00016304)
(Non-Executive and Independent Director)

Mr. Sundaram's experience spans corporate finance, business performance, monitoring operations, governance, mergers & acquisitions, talent/people management and strategy.

Mr. Sundaram joined Hindustan Unilever Limited (HUL), the Indian listed subsidiary of Unilever PLC, as a Management Trainee in June 1975 and served in various capacities including six years in Unilever, London as Commercial Officer: Africa and the Middle East (1990-1993) and as Sr. V. P. for South Asia and Middle East (1996-1999). He was the Chief Finance Officer of HUL from April 1999 to March 2008 and as the Vice Chairman and CFO from April 2008 to July 2009.

He is a two-time winner of the prestigious 'CFO of the Year for FMCG Sector' award by CNBC TV18 (2006 and 2008).

Mr. Sundaram is now the Vice Chairman and Managing Director of TVS Capital Funds Pvt. Ltd. in managing a growth capital Private Equity Fund (TVS Shriram Growth Fund). He is a post-graduate in Management Studies (MMS) from Chennai, Fellow of the Institute of Cost Accountants, and has done the Harvard Business School's Advanced Management Program (AMP).

Mr. Sundaram is the Chairman of the Audit Committee and a Member on the Compliance Committee of the Board.

Expertise in specific functional areas	Corporate Finance, Business Performance, Mergers & Acquisitions, Talent/People Management and Strategy
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Infosys Limited, Independent Director; GlaxoSmith Kline Pharmaceuticals Limited, Independent Director; Crompton Greaves Consumer Electricals Limited, Independent Director; TVS Electronics Limited, Non-Executive Director; SBI General insurance Company Limited, Independent Director

Mr. Vinayak Chatterjee (DIN:00008933)

(Non-Executive and Independent Director)

Mr. Chatterjee co-founded Feedback Infra—India's leading provider of professional and technical services in the infrastructure sector in 1990.

Mr. Chatterjee has often been called upon to play a strategic advisory role to leading domestic and international corporates, the Government of India, various Ministries dealing with infrastructure, as well as multilateral and bilateral institutions in the areas of infrastructure planning and implementation. He is one of the leading proponents of the Public-Private Partnership (PPP) model for developing India's infrastructure.

He is currently the Chairman of the Confederation of Indian Industry's (CII) Infrastructure Council, and has chaired various Infrastructure and related Committees at the national level of CII since 2001.

In 1998, the World Economic Forum at Davos selected Mr. Chatterjee as one of the 100 Global Leaders of Tomorrow and in 2011, the Indian Institute of Management, Ahmedabad conferred on him the 'Distinguished Alumnus Award'.

He is a well-read columnist and writes a monthly column on infrastructure for Business Standard called 'INFRATALK'. He has authored a book titled Getting it Right – India's Unfolding Infrastructure Agenda published in 2011.

Mr. Chatterjee is a B.A. (Honors), St. Stephens College, Delhi University and an alumni of Indian Institute of Management, Ahmedabad.

Mr. Chatterjee is a Member of the Audit Committee and Nomination & Remuneration Committee of the Board.

Expertise in specific functional areas	Infrastructure Planning and Implementation. One of the leading proponents of public-private partnership model for developing India's infrastructure
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Feedback Energy Distribution Company Limited, Chairman; Apollo Hospitals and Enterprises Limited, Independent Director; Indraprastha Medical Corporation Limited, Independent Director

Mr. Sunil Mehta (DIN:00065343)

(Non-Executive and Independent Director)

Mr. Mehta has over three-and-a-half decades of proven leadership experience in banking, financial services, insurance and investments with Citibank and AIG. In 2013, he left AIG, where he was the Country Head & CEO for AIG India since 2000. Subsequently, he started SPM Capital Advisers Pvt. Ltd. Mr. Mehta is the Chairman and Managing Director of SPM Capital Advisers Pvt. Ltd., a leading business advisory and consulting firm in India.

As Country Head & CEO for AIG in India, Mr. Mehta was responsible for all AIG businesses in India covering Insurance, Financial Services, Real Estate and Investments among other businesses. He set up AIG's Insurance JVs with Tatas and was also responsible for expanding AIG's presence across ten businesses in India, which included Life & Non-life Insurance, Private Equity, Asset Management, Real Estate, Home Finance, Consumer Finance, Software Development, Mortgage Guaranty and Aircraft Leasing. He was on the Board of all AIG Companies in India and on the Board of IDFC Ltd. for several years.

Prior to joining AIG, Mr. Mehta worked with Citibank for over 18 years where he held various senior positions covering operations, sales & risk process re-engineering, risk management, public sector business and corporate banking. His last assignment was Corporate Bank Head for Citibank, India and Senior Credit Officer.

Mr. Mehta was an Independent Director on the Board of State Bank of India till March 2017. He was closely involved with the start-up of a digital non-life insurance company-ACKO General Insurance Ltd. and on its Board till October 2018. In addition, he is a Senior Advisor to notable international/domestic firms.

Mr. Mehta was recently asked to Chair the Committee of Resolution of Stressed Assets by the Honorable Finance Minister of India. The Committee presented the Sashakt Report to the Finance Minister on July 2, 2018 which is currently under implementation and has made significant progress. Mr. Mehta is actively engaged in setting up Sashakt India Asset Management Limited-an Asset Manager for Distressed Assets.

He is closely engaged with various think tanks and Chambers of Commerce. He is the founding Board Member of the Asia Society India Centre and a past Chairman of American Chamber of Commerce (AMCHAM India). He is currently on the India Advisory Board of the US India Strategic Partnership Forum (USISPF).

Mr. Mehta has strong interests in building sustainable communities and is the immediate Past Chairman of Action for Ability Development and Inclusion (formerly The Spastics Society of North India). He is actively engaged with The United Way and on the Boards of United Way India and Mumbai. He was also the Chairman of both these organisations and also member of the Global Transition Board of United Way Worldwide.

He is a graduate from Shri Ram College of Commerce, Delhi University. He is a Fellow Member of the Institute of Chartered Accountants of India and Alumni of the Wharton School of Management, University of Pennsylvania, USA.

Mr. Mehta is a Chairman of the Stakeholders' Relationship Committee and a Member of the Audit Committee of the Board.

Expertise in specific functional areas	Rich and varied experience of over three decades in banking, financial services, insurance and investments
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Punjab National Bank, Non-Executive Chairman; IL&FS Investment Managers Limited, Independent Director; Sashakt India Asset Management Limited, Non-Executive Director

Mr. Sridhar Balakrishnan (DIN:08699523)

[Appointed as an Additional Director w.e.f. February 20, 2020 and as MD & CEO w.e.f. February 21, 2020 (Executive Director)]

Mr. Balakrishnan is a Member of Company's senior leadership group and has a consistent track record of outstanding accomplishments in situations representing increasing level of challenges, complexities and uncertainties through innovative solutions and his result-oriented approach.

Mr. Balakrishnan has a diverse experience of working across the construction products industry, media and FMCG at the leadership level, viz. ACC, STAR & Marico. Mr. Balakrishnan has spent majority of his career in the FMCG industry in different roles handling sales, business finance and supply chain for India to managing P&L across international geographies. Mr. Balakrishnan in his previous roles had an opportunity to drive innovation led growth, turnaround unprofitable units and has built new engines of growth across multiple geographies.

During his tenure as Chief Commercial Officer of the Company, he has been instrumental in the Company's expansion, distribution growth, market share amongst other aspects. Mr. Balakrishnan in his current role was responsible for driving revenue growth and profitability for the organisation. His key deliverables included developing the commercial strategy, ensuring an optimum and profitable product portfolio and building the right sales organisation to drive business.

Mr. Balakrishnan has more than two (2) decades of experience in consumer business that has benefited the Company, as the Company is transforming from a cement manufacturing business to a total building materials company with innovative technology - technology based products and solutions. Mr. Balakrishnan's extensive leadership experience and expertise across markets make him a strong asset to the future growth strategy of the Company.

Mr. Balakrishnan is an Engineering graduate with B. Tech (Electronics) degree from the Institute of Technology (Banaras Hindu University), Varanasi, and has a post graduate diploma in Business Management from XLRI, Jamshedpur.

Mr. Balakrishnan is not in any way related to the Chairman or any other Member of the Board.

Mr. Balakrishnan is a Member of the Stakeholders' Relationship Committee, Risk Management Committee, CSR & Sustainability Committee and Compliance Committee of the Board w.e.f. February 21, 2020.

Expertise in specific functional areas	Sales, Business Finance and supply chain for India to managing P&L across international geographies
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	NIL

The Board believes that the above-mentioned skills/competencies/expertise are required for the business of the Company and Directors of the Company possess these skills/competencies/expertise, which helps the Company to function effectively.

Directorships and Memberships of Committees

The total number of Directorship(s) held by the Directors and the status of Memberships/Chairmanships on Committees held by them is given below. All the Directors are compliant with the provisions of the Act and SEBI Listing Regulations. None of the Directors are interested inter-se.

Name of the Director	Category	Date of Appointment	*Number of Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC)	
				Member	Chairman
Mr. N. S. Sekhsaria (Chairman)	Non-Executive/Non Independent	27.12.1999	3	0	0
Mr. Jan Jenisch (Deputy Chairman)	Non-Executive/Non Independent,	17.10.2017	2	0	0
Mr. Neeraj Akhoury (MD & CEO)	Executive (resigned as MD & CEO w.e.f. February 20, 2020)	16.12.2016	1	1	0
	Non-Executive/Non Independent (appointed as an Additional Director w.e.f. February 21, 2020)	21.02.2020	2	1***	0
Mr. Martin Kriegner	Non-Executive/Non Independent	11.02.2016	2	2	0
Mr. Shailesh Haribhakti	Non-Executive/Independent	17.02.2006	7	9	4
Mr. Sushil Kumar Roongta	Non-Executive/Independent	03.02.2011	5	6	2
Mr. Vijay Kumar Sharma	Non-Executive/Non Independent	06.02.2014	3	1	1
Ms. Falguni Nayar	Non-Executive/Independent	24.04.2014	3	2	1
Mr. Christof Hassig	Non-Executive/Non Independent (resigned w.e.f. February 20, 2020)	09.12.2015	2	1	0
Mr. D. Sundaram	Non-Executive/Independent	22.03.2019	5	8	5
Mr. Vinayak Chatterjee	Non-Executive/Independent	22.03.2019	3	1	0
Mr. Sunil Mehta	Non-Executive/Independent	22.03.2019	3	2	1
Mr. Sridhar Balakrishnan (MD & CEO)	Additional Director	20.02.2020	0	0	0
	MD & CEO/Executive	21.02.2020	1	1	0

*excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies

**Committees considered are Audit committee & Stakeholders' Relationship Committee

None of the Directors hold Chairmanship/Committee memberships across companies with which they are associated as Directors beyond the threshold stipulated in the Listing Regulations.

*** Mr. Akhoury has been appointed as a Member of Stakeholders' Relationship Committee w.e.f. February 21, 2020

Board Diversity

ACC has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board.

Pursuant to the SEBI Listing Regulations, the Nomination & Remuneration Committee of the Board has formalised a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Policy on Diversity is posted on the Company's website and can be accessed on web link at www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf

D&O Insurance for Directors

In line with the requirements of Regulation 24(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied experience & expertise, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee of the Board identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

Mr. Haribhakti and Mr. Roongta were re-appointed by the Members for a second term of five (5) years with effect from July 24, 2019 whilst Ms. Nayar has been re-appointed for a second term with effect from April 24, 2019 for a period of five (5) consecutive years.

Mr. D. Sundaram, Mr. Vinayak Chatterjee and Mr. Sunil Mehta were appointed by the Members as Independent Directors for the first term at the Annual General Meeting held on March 22, 2019 for a period of five (5) consecutive years.

None of the Independent Directors serve as Independent Directors in more than seven (7) listed companies in line with the requirements of the SEBI Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down under the Act and the SEBI Listing Regulations, as amended.

Confirmation as regards independence of Independent Directors have been duly obtained from them and taken on record.

In the opinion of the Board, all the Independent Directors fulfil the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act and are independent of the Management.

Meeting of Independent Directors

During the year under review, the Independent Directors met on December 9, 2019, *inter alia* to discuss:

- evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and
- other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the Meetings and the openness and transparency with which the Management discusses various subject matters specified on the agenda of Meetings. The consolidated evaluation report of the Board, based on inputs received from the Directors was discussed at the Meeting of the Board held on December 10, 2019 and the action areas identified in the process are being implemented to ensure a better interface at the Board/ Management level.

All the Independent Directors except Ms. Falguni Nayar were present at the meeting of Independent Directors.

Induction programme for new Directors and on-going familiarisation programme for existing Independent and Non Independent Directors

A formal induction programme for new Directors and an on-going familiarisation process with respect to the business/working of the Company, the Company's business model for all Directors is a major contributor to familiarise the Directors with the dynamics of the cement industry to facilitate their engagement in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, *inter alia*, explains the role, functions, duties and responsibilities of the Director and the Board's expectations from him/her. The requirement of obtaining declarations from a Director – under the Act, SEBI Listing Regulations and other relevant regulations are also explained in detail to the Directors and necessary affirmations received from them in respect thereto.

By way of an introduction to the Company, the Director are presented with a book on the rich legacy of the Company, which traces its history of over eight decades of its existence, past Annual Reports, the Sustainable Development Reports, brochures on the CSR activities pursued by the Company which, *inter alia*, discusses topics on various types of cement and their applications and ACC Parivar, the Company's house magazine.

A presentation is also shared with the newly appointed Director, which provides an overarching perspective of the cement industry, organisational set up of the Company and governance model, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, brand equity, internal control processes and other relevant information pertaining to the Company's business.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his role. In addition, Board Members are regularly informed about significant developments in the cement industry, regulatory changes and other developments, which impact the Company.

Directors are also encouraged to visit the Company's plants to have a better insight of the manufacturing processes, facilities and the social environment in which the Company functions. Further, as an on-going process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the cement industry, analysis of the circumstances which have helped or adversely impacted the Company's performance with its peers in the industry based on the information as available in the public domain and the initiatives taken/proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plans and so on. The Company also organised the CSR & Sustainability Committee Meetings at plant locations to provide a first hand insight on the CSR & Sustainability activities being carried out by the Company.

To familiarise the Directors with the best practices in the cement industry, the Company had in May 2019, arranged a visit for the Directors to LafargeHolcim's Siggenthal's Plant in Zug, Switzerland. LafargeHolcim, the Ultimate Holding Company of ACC is by a distance, the leading international player in the business of cement, aggregates and construction materials and the visit of our Directors was very insightful particularly with respect to the initiatives taken by LafargeHolcim in areas of health & safety, geocycle, RMX, sustainability and so on.

The Directors also had interactions with the Directors of the Ultimate Holding Company to understand the Group's vision and the Strategy 2022-Building for Growth, with a view to align local operations in India to the Group's vision.

The Director's Conclave is an initiative ACC rolled out in 2018, basis the recommendation of the Company's Independent Directors and under the aegis of its Chairman. This initiative includes inviting eminent personalities from various disciplines to share insights with the Board and the Management. It started with Dr. Nandan Nilekani (Non-executive Chairman, Infosys) sharing his thoughts on digital technology impact, in 2018. In 2019, Mr. Navroz Dubash, a well-renowned Environmentalist, was invited, who gave his valuable and relevant perspective on the influence of climate change and global warming to the Company's leadership.

Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through the weblink at www.acclimited.com/sh/FPID.pdf

Performance Evaluation of the Board and Individual Directors

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration, Compliance and Risk Management Committees. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, which covered aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/Committees, *inter alia*, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/committees, independence of judgment exercised by Independent Directors, interpersonal relationship and so on.

Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Directors to encourage their greater engagement with the Company.

Remuneration of Directors

The policy for payment of remuneration to Directors, Key Managerial Personnel and Members of the Management Executive Committee is set out on the website of the Company at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

Terms of remuneration of Mr. Neeraj Akhoury, MD & CEO

The terms and conditions of appointment and the remuneration payable to Mr. Neeraj Akhoury, MD & CEO, were approved by the Members of the Company at the Annual General Meeting held on March 29, 2017 and can be accessed through weblink at www.acclimited.com/sh/NT.pdf

Terms & Remuneration of Mr. Sridhar Balakrishnan, Managing Director & Chief Executive Officer (MD & CEO)

(Appointed as an Additional Director w.e.f. February 20, 2020 and as MD & CEO w.e.f. February 21, 2020)

Mr. Balakrishnan was appointed by the Board as MD & CEO w.e.f. February 21, 2020 for a period of five (5) years on the following terms and conditions and with an annual increment of upto maximum of 20% for every year thereafter during the currency of term of five (5) years of MD & CEO and the same is subject to the approval of Members in the Annual General Meeting of the Company:

1. Remuneration:

a) Basic Salary

₹1,01,19,561 per annum in grade of ₹1,00,00,000 - ₹2,12,00,000.

Annual increment will be effective from April 1 each year and will be decided by the Board each year on the basis of recommendation of Nomination & Remuneration Committee of the Board. The increment as and when approved by the Board, shall be merit based and will take into account the performance of MD & CEO as well as that of the Company. The first such annual increment will be granted on April 1, 2021 on the remuneration i.e. Basic Salary and Allowances as mentioned below.

Allowances & Perquisites

Allowances & Perquisites of ₹1,51,79,341 per annum in range of ₹1,50,00,000 - ₹3,77,00,000.

The Company follows the flexible allowance structure for all its employees that enables its employees to decide on the salary components other than the basic salary within the remuneration of the employee concerned.

In line with this structure, Mr. Balakrishnan will be entitled to ₹15,179,341 of allowance per annum which can be distributed in House Rent Allowance (HRA), Leave Travel Allowance (LTA), Medical, Special Allowance etc. at his discretion, as per the flexi pay policy of the company. Mr. Balakrishnan can opt for contribution to Superannuation or NPS scheme up to the limit as prescribed by such contribution, if any, shall be deducted by the company from the allowances stated above.

In addition to the above, Mr. Balakrishnan would be paid/entitled for the following perquisites:

i) Club Membership

Membership of one club, the admission and annual membership fee whereof shall be borne by the Company.

ii) Personal Accident Insurance

Group Personal Accident Insurance Policy, as per the rules of the Company.

iii) Leave

The MD & CEO shall be entitled for leave with full pay or encashment thereof, as per the rules of the Company.

iv) Provident Fund

Company's contribution to provident fund not exceeding 12% (twelve percent) of the basic salary, as per the rules of the Company.

v) Gratuity

Gratuity at the rate of half month's basic salary for each year of completed service, as per the rules of the Company. The service tenure of Mr. Balakrishnan with the Company as Chief Commercial Officer shall be recognized and considered for the purpose of gratuity as payable under the Payment of Gratuity Act, 1972.

vi) Other Perquisites

As may be decided by the Board of Directors on the recommendation of the Nomination

& Remuneration Committee, subject to the overall ceiling on managerial remuneration.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

b) Performance Incentive

Such remuneration by way of performance incentive payment up to an amount equivalent to a maximum of 100% (one hundred percent) of the basic salary and allowances stated above, in a particular financial year based on the performance of the MD & CEO against set goals and the Company meeting the target performance for the financial year. The performance incentive will be determined by the Board of Directors of the Company at the end of each financial year on the recommendation of the Nomination & Remuneration Committee, subject to the overall ceilings stipulated under Section 197, 198 and other applicable provisions of the Act read with Rules thereunder and Schedule V to the said Act or any modifications or re-enactment thereto for the time being in force.

c) Long Term Incentive Plan

The MD & CEO is eligible to participate in the Long Term Incentive Plan of LafargeHolcim Limited (LH), the ultimate holding Company of ACC, pursuant to which the MD & CEO will be granted such number of shares of LH (Performance Shares) from time to time as per the said incentive plan. The cost of such shares shall be borne by LafargeHolcim Ltd.

d) Amenities

i) Conveyance facilities

The Company shall provide a suitable car for the MD & CEO for official and personal use. Repairs, maintenance and running expenses including driver's salary shall be borne/ reimbursed by the Company.

ii) Telephone and other communication facilities

The Company shall provide a mobile phone to the MD & CEO and shall also provide telephone, and other communication facilities at his residence. All the expenses incurred thereof shall be paid or reimbursed by the Company, as per the rules of the Company.

2. Overall Remuneration

The aggregate of salary, allowances, perquisites and performance incentive in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Act read with rules thereunder and Schedule V to the said Act or any modifications or re-enactment for the time being in force.

3. Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of service of the MD & CEO, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Act as may be for the time being in force.

4. Income Tax

Income tax in respect of the above remuneration will be deducted at source as per applicable laws/rules.

5. Sitting Fees/Commission

MD & CEO shall not be paid any sitting fees and/ or commission for attending the meetings of the Board or committees thereof.

6. Out of Pocket Expenses in connection with Company's work

MD & CEO shall be entitled to be paid/reimbursed by the Company all costs, charges and expenses including entertainment expenses as may be reasonably incurred by him on behalf of the Company, subject to such ceiling as may be decided by the Board on the recommendation of the Nomination & Remuneration Committee.

Remuneration of Directors

The remuneration drawn by the Directors during the year is set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of the Company. None of the Directors of the Company have any pecuniary relationship with the Company. The remuneration paid to the Non-Executive Directors does not exceed the threshold specified in Regulation 17(6)(ca) of the SEBI Listing Regulations and no approval of the shareholders by Special Resolution was called for.

₹ Lakh

Name of the Director	Salary	Commission	Sitting Fees	Total
Mr. N. S. Sekhsaria, Chairman	-	50.00	3.70	53.70
Mr. Jan Jenisch, Deputy Chairman	-	20.00	1.00	21.00
Mr. Neeraj Akhoury, MD & CEO (ceased to be a MD & CEO w.e.f. February 20, 2020. Appointed as an Additional Director w.e.f. February 21, 2020)	@889.78	-	-	889.78
*Mr. Martin Kriegner	-	-	-	-
Mr. Shailesh Haribhakti	-	36.00	6.50	42.50
Mr. Sushil Kumar Roongta	-	36.00	9.00	45.00
Mr. Vijay Kumar Sharma	-	20.00	3.10	23.10
Ms. Falguni Nayar	-	20.00	2.60	22.60
Mr. Christof Hassig	-	20.00	2.30	22.30
Mr. Damodarannair Sundaram (appointed with effect from March 22, 2019)	-	35.14	5.20	40.34
Mr. Vinayak Chatterjee (appointed with effect from March 22, 2019)	-	28.11	4.70	32.81
Mr. Sunil Mehta (appointed with effect from March 22, 2019)	-	28.11	3.90	32.01
Mr. Arunkumar Gandhi (ceased to be a Director with effect from March 22, 2019)	-	9.99	1.30	11.29
Mr. Ashwin Dani (ceased to be a Director with effect from March 22, 2019)	-	7.99	1.30	9.29
Mr. Farrokh Kavarana (ceased to be a Director with effect from March 22, 2019)	-	7.99	1.90	9.89
Mr. Sridhar Balakrishnan (appointed as an Additional Director w.e.f. February 20, 2020 and as MD & CEO w.e.f. February 21, 2020)**	-	-	-	-

*Mr. Martin Kriegner has waived his right to receive Directors' commission and sitting fees.

@The remuneration of Mr. Akhoury includes the Performance Linked Incentive of ₹227.57 Lakh for the year 2018 and grant of 1,800 shares under employee performance share plan, valuing ₹11.55 Lakh, by the Ultimate Parent Company "LafargeHolcim Ltd." in 2019.

** No remuneration paid to Mr. Sridhar Balakrishnan in the capacity of MD & CEO up to the date of this report.

Meetings

Board meetings held during the year

Dates on which the Board meetings were held	Total strength of the Board	Number of Directors present
February 5, 2019	12	10
April 23, 2019	12	11
July 18, 2019	12	09
October 15, 2019	12	12
December 10, 2019	12	11

The gap between any two (2) Board meetings did not exceed one hundred and twenty (120) days in line with the requirements of the Act and the SEBI Listing Regulations.

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board meetings held on					Attendance at the AGM held on 22.03.2019
	05.02.2019	23.04.2019	18.07.2019	15.10.2019	10.12.2019	
Mr. N. S. Sekhsaria						Leave of Absence
Mr. Jan Jenisch	Leave of Absence	Leave of Absence	Leave of Absence			Leave of Absence
Mr. Neeraj Akhoury						
Mr. Martin Kriegner						Leave of Absence
Mr. S. V. Haribhakti	Leave of Absence					
Mr. S. K. Roongta						
Mr. V. K. Sharma						
Ms. Falguni Nayar					Leave of Absence	
Mr. Christof Hassig			Leave of Absence			Leave of Absence
Mr. D. Sundaram (appointed with effect from March 22, 2019)	Not Applicable					Not Applicable
Mr. V. Chatterjee (appointed with effect from March 22, 2019)	Not Applicable					Not Applicable
Mr. S. Mehta (appointed with effect from March 22, 2019)	Not Applicable		Leave of Absence			Not Applicable
Mr. Arunkumar Gandhi (ceased to be a Director with effect from March 22, 2019)		Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Mr. Farrokh Kavarana (ceased to be a Director with effect from March 22, 2019)		Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Mr. Ashwin Dani (ceased to be a Director with effect from March 22, 2019)		Not Applicable	Not Applicable	Not Applicable	Not Applicable	

As Mr. Sundaram, Mr. Chatterjee and Mr. Mehta were appointed as Independent Directors at the AGM, they were not present at the AGM.

The Act facilitates the participation of a Director in Board/Committee Meetings through video conference or other audio-visual modes. Accordingly, the option to participate at the Meetings through video conference is made available for the Directors except in respect of such items, which are not permitted to be transacted under the statute through the use of such facility unless the quorum through the physical presence of Directors is available at the Meetings at which such items are transacted.

Duties and Functions of the Board

The Board of Directors' primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business, and thereby create value for its stakeholders. To this end, the Board sets out the corporate culture, lays down high ethical standards of corporate behaviour and ensures transparency in its dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, which is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensures that robust policies and procedures are in place. The Board through its various committees, also reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, to ensuring integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board reviews and approves quarterly/half-yearly, unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Health & Safety (H&S) performance and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. The agenda for the Board meetings covers items as set out in SEBI Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The agenda is sent out to the Directors within the period stipulated in the Secretarial Standards. The Board processes are also in consonance with the requirements of the Secretarial Standard-1 relating to the meetings of the Board and its committees.

All the recommendations of the various committees of the Board have been accepted by the Board of Directors and none of the Directors are influenced by the Management.

COMMITTEES OF THE BOARD

The Company has over the years maintained the highest standards of corporate governance processes and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements. For instance, the Board of Directors had constituted the Audit Committee in 1986. A Share Committee was constituted in 1962 to evaluate share-related matters of the Company and investor relations, which has transformed into the Stakeholders' Relationship Committee. Likewise, a Compensation Committee was constituted in 1992. The Committee has subsequently been re-constituted as the Nomination & Remuneration Committee with wider terms of reference as per statutory requirements.

The constitution, terms of reference and the functioning of the existing committees of the Board is explained hereunder. Each committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these committees lend immense value and support, enhancing the qualitativeness of the decision-making process of the Board. The Board reviews the functioning of these committees from time to time.

The meetings of each of these committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings. The minutes of the committee meetings are sent to all Directors individually for their approval/comments as per the prescribed Secretarial Standards-1 and after the minutes are duly approved, these are circulated to the Board of Directors and tabled at the Board meetings.

Audit Committee

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes. More than two-thirds of the members of the committee, including the Chairman are Independent Directors. The committee is governed by a Charter, which is in line with the regulatory requirements mandated by the act and SEBI Listing Regulations. All the members of the committee have the ability to read and understand the financial statements. The Chairman of the committee possesses professional qualifications in the field of Finance and Accounting.

The functions of the committee *inter alia* include:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.

- Reviewing with the Management (i) the quarterly unaudited financial results drawn up both on a standalone and consolidated basis and the Auditors' Limited Review Reports thereon (ii) audited annual financial statements (standalone and consolidated) and Auditors' Report thereon before submission to the Board for approval. This would *inter alia*, include reviewing changes in the accounting policies and practices and reasons for such changes, major accounting entries involving estimates based on the exercise of judgement by the Management.
- Review the Management Discussion & Analysis of the financial condition and results of the Company's operations.
- Review of management internal control systems, Improvements and weaknesses if any, as observed by the Statutory Auditors.
- Review of the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the person heading the Department, reporting structure, coverage and frequency of internal audit.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control.
- Discuss with Statutory Auditors, its judgement about the quality and appropriateness of the Company's accounting principles with reference to relevant Accounting Standards and the relevant Rules under the Act as amended from time to time.
- Scrutiny and review of the investments and inter-corporate loans made by the Company to its subsidiary companies.

Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's Accounting system and internal financial controls.
- Review and discussion with the Management on the Company's major financial risk exposures and steps taken by the Management to monitor and mitigate such risks.
- To oversee and review the functioning of the vigil mechanism (Whistle Blower Policy) implemented in the Company as EthicalView Reporting Policy (EVR Policy) and to review the findings of investigations into cases of material nature, if any, and the actions taken in respect thereof. The scope of the vigil mechanism enables employees, Directors and other stakeholders to report on any cases of leakage of unpublished price sensitive information and consequent non-compliance with SEBI (Prohibition of Insider Trading Regulations) Regulations, 2015 (**'Prohibition of Insider Trading Regulations'**).
- To make the employees aware of the vigil mechanism to enable employees to report instances of leak of unpublished price sensitive information.
- Management letters/letters of internal control weaknesses, if any, issued by the Statutory Auditors.

Audit

- Review the scope of the Statutory Audit, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review and monitor the auditors' independence and performance and effectiveness of the audit process.
- Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Review and discuss the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's responses thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors, remuneration payable to them, considering their independence and effectiveness, their replacement and removal, if necessary.
- Approve such additional services which are to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act, and payment for such services.
- Discussions with the Chief Internal Auditor on significant findings and follow-up thereon.
- Reviewing the Cost Audit Report submitted by the Cost Auditors.

Other functions

- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor
- To approve the appointment of the Chief Financial Officer after assessing the qualifications, experience, background and other such factors of the candidates.
- To grant prior approval to all related party transactions including any subsequent modifications thereto, grant of omnibus approvals for related party transactions which are repetitive in nature, are in the ordinary course of business and on an arms' length pricing basis and to review and approve such transactions subject to the approval of the Board or shareholders, as the case may be.
- To review compliance with the provisions of the Prohibition of Insider Trading Regulations as amended from time to time and to verify that the systems for internal control for prohibition of Insider Trading are adequate and are operating effectively.
- The scope and terms of reference of the committee have been widened in line with the amendments made to SEBI Listing Regulations.

The composition of the Audit Committee as at December 31, 2019 and details of the Member's participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Audit Committee meeting held on				
		04.02.2019	23.04.2019	18.07.2019	15.10.2019	28.11.2019
Mr. D. Sundaram (appointed as Chairman with effect from March 27, 2019)	Non-Executive/ Independent	Not Applicable	✓	✓	✓	✓
Mr. Martin Kriegner	Non-Executive/ Non Independent	✓	✓	✓	✓	✓
Mr. S. K. Roongta	Non-Executive/ Independent	✓	✓	✓	✓	✓
Mr. Chatterjee (appointed with effect from March 27, 2019)	Non-Executive/ Independent	Not Applicable	✓	✓	✓	Leave of Absence
Mr. Mehta (appointed with effect from March 27, 2019)	Non-Executive/ Independent	Not Applicable	✓	Leave of Absence	✓	✓
Mr. A. K. Gandhi (ceased to be Chairman with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. A. Dani (ceased to be a Member with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. F. K. Kavarana (ceased to be a Member with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Mr. A. K. Gandhi, then Chairman of the Committee, was present as the Annual General Meeting held on March 22, 2019.

All the Members on the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all Audit Committee Meetings held during the year at which the Financial Statements have been placed for review. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee at which the Cost Audit Report is tabled for discussion.

The MD & CEO, the Chief Financial Officer (**'CFO'**), the Chief Internal Auditor and the Chief Manufacturing Officer attend the Meetings of the Committee. The Chief Legal Officer & Company Secretary is the Secretary of the Committee.

During the year under review, the Audit Committee also held a separate one-to-one meeting with the Statutory Auditors and the Chief Internal Auditor to obtain their inputs on significant matters relating to their respective areas of audit without the presence of the MD & CEO, CFO and others representing the Management.

Performance Review of the Audit Committee

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire which broadly covers composition of the Committee, frequency of meetings; engagement of the Members; the quality of discussions; overview of the financial reporting process; adequacy of internal control systems and overview of internal and external audits. The results of the assessment are presented to the Committee along with the action plan in the areas requiring improvement, if any, which are suitably addressed.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises four Members out of which half of the Members are Independent Directors. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- to approve transfer/transmission of shares/ debentures and such other securities, as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed as per the laid down procedure;
- to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificate/ certificates relating to other securities;
- to issue and allot right shares/bonus shares pursuant to a out rights issue/bonus issue, subject to such approvals as may be required;
- to oversee approve and monitor dematerilisation of shares/debentures the implementation of ESOS scheme, if any, as and when implemented by the Company;
- to issue and allot debentures, bonds and other securities as approved by the Board of Directors and subject to such other approvals of the Regulators as may be required;
- to approve and monitor requests relating to dematerilisation of shares/debentures/ other securities and all matters incidental or related thereto;
- to authorise the Chief Legal Officer & Company Secretary/other officers of the Share Department to attend to matters relating to:
  - transfer/transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
  - non-receipt of annual reports, notices, non-receipt of declared dividend, change of address for correspondence and other such issues, and to monitor action taken thereon;
- to monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the investors;
- to monitor expeditious redressal of grievances of shareholders/security holders and all other matters incidental or related to issue of shares, debentures and other securities, if any, of the Company;
- to review reports relating to grievances of investors, shareholding pattern and other reports, which are to be submitted to the Stock Exchanges periodically in line with the requirements of the SEBI Listing Regulations;
- review of measures taken for effective exercise of voting rights by shareholders;
- reviewing the various measures and initiatives taken to reduce the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;
- review of adherence to the service standards adopted in respect of various services being rendered by the Registrar and Share Transfer Agent.
- review of transfer of unpaid/unclaimed dividend/ shares to the Investor Protection Fund of the Government of India in line with the relevant Rules thereunder;
- any other matters as may be assigned to the Committee by the Board of Directors from time to time.

Effective from September 16, 2019, the functions relating to Registrar and Transfer Agent have been transferred to KFIN Technologies Private Limited. The in-house facility stands withdrawn effective from the above date.

The composition of the Stakeholders' Relationship Committee as on December 31, 2019 and details of the Members participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Stakeholders' Relationship Committee meeting held on			
		04.02.2019	22.04.2019	17.07.2019	14.10.2019
Mr. Sunil Mehta (appointed as Chairman with effect from March 3, 2019)	Non-Executive/ Independent	Not Applicable	✓	Leave of Absence	✓
Mr. S. V. Haribhakti	Non-Executive/ Independent	✓	✓	✓	✓
Mr. Christof Hassig (appointed as Member with effect from March 27, 2019 and ceased to be a Member w.e.f. February 20, 2020)	Non-Executive/ Non Independent	Not Applicable	Leave of Absence	Leave of Absence	✓
Mr. Neeraj Akhoury (ceased to be a Member w.e.f. February 21, 2020)	Executive/ Non Independent	✓	✓	✓	✓
Mr. F. K. Kavarana (ceased to be Chairman with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable
Mr. A. K. Gandhi (ceased to be a Member with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable
Mr. Sridhar Balakrishnan (appointed as Member w.e.f. February 21, 2020)	Executive/ Non Independent	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Mr. F. K. Kavarana, then Chairman of the Committee, was present at the Annual General Meeting held on March 22, 2019.

Mr. Rajiv Choubey, Chief Legal Officer and Company Secretary functions as the Compliance Officer. He has also been appointed as the nodal officer in line with statutory requirements.

During the year, Thirty Seven (37) letters were received from shareholders, following up on their pending matters/queries relating to transfers/transmission of shares, issue of duplicate share certificates and related matters. These letters were attended within a period of thirty (30) days from the date of receipt by the Company, except for one (1) complaint as on December 31, 2019 which stands resolved as on the date of this Report.

All share transfer documents which were lodged with the Company up to March 31, 2019 found to be duly completed in all respects were processed within the statutory period. Transfer of shares held in physical form is not permitted after March 31, 2019 through statutory notifications.

Nomination & Remuneration Committee (N&RC)

The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations. The Chairman of the Committee is an Independent Director and half of the Members on the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

The terms of reference of the Committee *inter alia*, include the following:

- Succession planning of the Board of Directors and Senior Management Personnel;
- Identifying and selecting candidates who are qualified for appointment as Directors/Independent Directors based on certain laid down criteria;
- Identifying potential candidates for appointment as Key Managerial Personnel and to recommend to the Board of Directors their appointment and removal;
- Devising a policy on diversity of Board of Directors;
- Review the performance of the Board of Directors and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short-term and long-term objectives of the Company. Accordingly, the Committee recommends to

the Board, the remuneration in whatever form payable to the Senior Management including Key Managerial Personnel;

- To recommend to the Board of Directors the extension or continuance in office of the Independent Directors on the basis of the report of their performance evaluation;
- The functions of the Committee have been widened in line with the amendments made to SEBI Listing Regulations.

The composition of the N&RC as on December 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the N&R Committee meetings held on			
		04.02.2019	10.04.2019	18.07.2019	09.12.2019
Mr. S. V. Haribhakti (appointed as Chairman with effect from March 27, 2019)	Non-Executive/ Independent	✓	✓	✓	✓
Mr. N. S. Sekhsaria	Non-Executive/ Non Independent	✓	✓	✓	✓
Mr. Martin Kriegner	Non-Executive/ Non Independent	✓	✓	✓	✓
Mr. Vinayak Chatterjee (appointed with effect from March 27, 2019)	Non-Executive/ Independent	Not Applicable	✓	✓	✓
Mr. Ashwin Dani (ceased to be Chairman with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable
Mr. F. K. Kavarana (ceased with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable

Mr. Ashwin Dani, then Chairman of the Committee, was present at the Annual General Meeting held on March 22, 2019.

Corporate Social Responsibility (CSR) & Sustainability Committee

The scope of the functioning of the Committee has been widened to cover sustainability and the Committee has been renamed as CSR & Sustainability Committee with effect from October 15, 2019.

The Company has always been conscious of its obligations *vis-à-vis* the communities it impacts and has been pursuing various CSR activities long before these were mandated by law. A Committee of the Board was constituted in 2013 to oversee and give direction to the Company's CSR activities.

The terms of reference of the CSR & Sustainability Committee broadly includes:

- to review CSR projects with a view to ensure that they are in line with the CSR objectives and the CSR & Sustainability Policy of the Company and are aligned with Schedule VII of the Act;
- to have oversight for ensuring that CSR projects are designed, implemented and periodically monitored based on need assessment of the communities;
- to review the annual CSR budget and recommend the same to the Board of Directors for approval;
- to approve the amount of expenditure to be incurred on the various CSR initiatives;
- providing guidance in the manner in which the CSR projects undertaken by the Company could make an impactful intervention across the communities in which the Company operates;
- to oversee and review the impact of CSR projects undertaken by the Company *vis-à-vis* sustainability.
- review and recommend to the Board for its approval the annual Sustainability Report;
- receive updates form the management regarding the Company's Environment, Social and Governance (**'ESG'**) activities;
- provide oversight and guidance on ESG matters & opportunities, social responsibilities and impacts.

The composition of the CSR & Sustainability Committee as on December 31, 2019 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the CSR & Sustainability Committee meetings held on	
		22.04.2019	12.09.2019
Mr. S. V. Haribhakti (appointed Chairman with effect from March 27, 2019)	Non-Executive/ Independent	✓	✓
Ms. Falguni Nayar	Non-Executive/ Independent	✓	✓
Mr. Christof Hassig (appointed with effect from March 27, 2019 & ceased to be Member w.e.f. February 20, 2020)	Non-Executive/ Non Independent	Leave of Absence	Leave of Absence
Mr. Vijay Kumar Sharma (appointed with effect from March 27, 2019)	Non-Executive/ Non Independent	✓	✓
Mr. Neeraj Akhoury (ceased to be a Member w.e.f. February 20, 2020)	Executive/ Non Independent	✓	✓
Mr. Neeraj Akhoury (appointed as Member w.e.f. February 21, 2020)	Non-Executive/ Non Independent	Not Applicable	Not Applicable
Mr. F. K. Kavarana (ceased to be Chairman with effect from March 22, 2019)	Non-Executive/ Independent	Not Applicable	Not Applicable
Mr. Sridhar Balakrishnan (appointed as Member w.e.f. February 21, 2020)	Executive/ Non Independent	Not Applicable	Not Applicable

The Company's CSR Policy is comprehensive and is in alignment with the requirements of the Act and the United Nations Sustainable Development Goals. The Policy can be accessed at the Company's website at https://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf and the CSR Report forms an integral part of the Board's Report.

Risk Management Committee

The Company has constituted the above Committee in line with the SEBI Listing Regulations as it is in the list of top 500 listed companies in the country based on its market capitalisation for the immediately preceding financial year.

Business Risk Evaluation and Management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks as also to identify business opportunities.

The Risk Management Committee was constituted by the Board of Directors in the year 2014. The Members of the Committee are drawn from the Members of the Board. No Senior Executive of the Company is a Member of the Committee. The majority of the Committee Members include Independent Directors.

The Committee is governed by a charter and its objectives and scope broadly comprises:

- reviewing the Business Risk Management (BRM) Policy and framework in line with local legal requirements and the SEBI Listing Regulations;
- review risks trends, exposure, their potential impact analysis and mitigation plans;
- defining framework for identification, assessment, monitoring, mitigation and reporting of risks;
- reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions and ownership as a pre-defined cycle;
- reviewing the robustness of the risk management processes followed by the Management.

The composition of the Risk Management Committee as on December 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Risk Management Committee meetings held on	
		22.04.2019	14.10.2019
Ms. Falguni Nayar (appointed as Chairperson with effect from March 27, 2019)	Non-Executive/ Independent	✓	✓
Mr. S. V. Haribhakti	Non-Executive/ Independent	✓	✓
Mr. S. K. Roongta	Non-Executive/ Independent	✓	✓
Mr. V. K. Sharma (appointed with effect from March 27, 2019)	Non-Executive/ Non Independent	✓	✓
Mr. Neeraj Akhoury (ceased to be a Member w.e.f. February 20, 2020)	Executive/ Non Independent	✓	✓
Mr. Sridhar Balakrishnan (appointed as Member w.e.f. February 21, 2020)	Executive/ Non Independent	Not Applicable	Not Applicable

Compliance Committee

Recognising the importance of the Company to be compliant with various laws and regulations which impacts its business, the Board of Directors constituted the Compliance Committee in 2008. The Compliance Committee plays an important role in building a regime of 'zero tolerance' to any form of non-compliance, which is a pre-requisite for a robust governance mechanism.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the courts of law that may significantly affect the interests of the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing compliance with all applicable statutes, rules and regulations based on reports received from the MD & CEO, ExCo Members and the Chief Legal Officer and Company Secretary and to recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company to determine, *inter alia*, the probability of liabilities arising therefrom which are of a contingent nature.

The composition of the Compliance Committee as on December 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Compliance Committee meetings held on			
		04.02.2019	22.04.2019	17.07.2019	14.10.2019
Mr. S. K. Roongta (appointed as Chairman with effect from March 27, 2019)	Non-Executive/ Independent	✓	✓	✓	✓
Mr. S. V. Haribhakti	Non-Executive/ Independent	✓	✓	✓	✓
Mr. D. Sundaram (appointed with effect from March 27, 2019)	Non-Executive/ Independent	Not Applicable	✓	✓	✓
Mr. Neeraj Akhoury (ceased to be a Member w.e.f. February 20, 2020)	Executive/ Non Independent	✓	✓	✓	✓
Mr. F. K. Kavarana (ceased to be Chairman with effect from March 22, 2019)	Non-Executive/ Independent	✓	Not Applicable	Not Applicable	Not Applicable
Mr. Sridhar Balakrishnan (appointed as Member w.e.f. February 21, 2020)	Executive/ Non Independent	Not Applicable	Not Applicable	Not Applicable	Not Applicable

SUBSIDIARY COMPANIES

The Company does not have any 'material subsidiary' as defined in the SEBI Listing Regulations.

Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company as Regulation 24 of the SEBI Listing Regulations does not apply.

Although the Company does not have a material subsidiary, pursuant to the requirements of Section 204 of the Act, its subsidiary ACC Mineral Resources Limited is subjected to a Secretarial Audit, which was also conducted for the year ended December 31, 2019. No adverse remarks have been made the Secretarial Auditors in their Report.

The reporting is being made pursuant to the requirements of Regulation 24A of the SEBI Listing Regulations.

The Company's policy on 'Material Subsidiary' is placed on the Company's website and can be assessed through the weblink at www.acclimited.com/sh/DMS.pdf.

The Audited Annual Financial Statements and the Unaudited Quarterly Financial Results along with the Auditors Limited Review thereon of Subsidiary Companies are tabled at the Meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation with the Parent Company.

Copies of the minutes of the Board, constituted Committees of Subsidiary Companies are tabled at the Board Meetings of the Parent Company.

DISCLOSURES

Regulations 17 to 27 & Regulation 46 of SEBI Listing Regulations

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing its Standalone and Consolidated Financial Statements.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length pricing basis. These transactions are also subject to review by an external independent agency. The policy on related-party transactions has been placed on the Company's website and can be accessed at www.acclimited.com/sh/RPT.pdf. In line with the amended the SEBI Listing Regulations, the policy has been amended suitably.

Where any material related-party transaction is proposed, approval of the Members is obtained. No related party whether or not it is a party to the particular transaction or not is allowed to vote to approve the transaction in line with the SEBI Listing Regulations.

CREDIT RATING

The Company has not issued any debt instruments which necessitates any credit rating. However, CRISIL has rated the Company as CRISIL AAA/Stable for Fund-based Working Capital Facilities and CRISIL A1+ for Non-fund based Working Capital Facilities. The same can be accessed at www.acclimited.com/investor-relations/credit-rating.

FEES PAID TO STATUTORY AUDITORS

During the year ended December 31, 2019, the Company and its subsidiaries have paid a consolidated sum of ₹3.46 Crore to the statutory auditor and all its entities.

LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an on-line legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations, RMX facilities, sales and Corporate Office.

The Compliance Committee is informed about the progress and the status of legal compliances through this tool.

CONFIRMATION BY THE BOARD OF DIRECTORS' ACCEPTANCE OF RECOMMENDATION OF MANDATORY/NON-MANDATORY COMMITTEES

The Board of Directors have confirmed that during the year, it has accepted the recommendations received from its mandatory/non-mandatory committees. None of the recommendations made by any of the Committees has been rejected by the Board.

STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three (3) years.

CODE OF BUSINESS CONDUCT

The Board of Directors has approved a Code of Business Conduct, which is applicable to the Members of the Board and to all employees. The Company follows a policy of 'Zero Tolerance' to bribery and corruption in any form and the Board has laid down the 'Anti Bribery & Corruption Directive', which forms an Appendix to the above Code. The Code has been posted on the Company's website at www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf.

The Code lays down the standard of conduct which is expected to be followed by the Board and by the Employees in their business dealings and in particular on matters relating to integrity of the workplace, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an Employee in a given situation and the reporting structure.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management Staff are required to complete an E-learning module on the above subject, in addition to the undergoing training conducted by the compliance team of the Company from time to time.

FAIR COMPETITION DIRECTIVE PROGRAMME

Fair Competition Directive Programme which was earlier known as Value Creation in Competitive Environment (VCCE) was introduced in the Company as early as 2008 and the Company has been carrying out training sessions for creating awareness among relevant employees on fair competitive practices.

Under these programmes, training sessions are conducted on an annual basis for the concerned employees of the Company, particularly those in sales and purchase functions, on various aspects of competition law and on behavioural aspects for ensuring fair competition in the marketplace. E-learning training is imparted to all such employees in addition to face-to-face training and includes a specific module on 'Do's and Don'ts' in a tender bidding process.

In addition to the above, the processes of the Company are subject to periodic reviews and where required, are being further strengthened.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company is committed to the high standards of corporate governance and stakeholder responsibility.

The Company has an 'EthicalView Reporting' (**'EVR'**) Policy to deal with instances of fraud and mismanagement, if any. The EVR Policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no discrimination is meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline 'ACC Ethics Helpline' has been set-up, which is managed by an independent professional organisation. The Ethics

Helpline can be contacted to report on any suspected or confirmed incident of fraud/misconduct on:

- E-Mail: acc@ethicalview.com
- Online reporting on https://integrity.lafargeholcim.com/
- National Toll-free Number: 18002092008
- Fax Number: +91(22) 66459575
- Address: P.O. Box No. 137, Pune 411 001

A Committee consisting of Senior Employees headed by Chief Legal Officer & Company Secretary, has been constituted, which investigates the complaints raised and recommends appropriate action where necessary. The Committee reports to the Audit Committee of the Board which in turn apprises the Board on such matters as necessary.

The scope of vigil mechanism has been extended during the year to enable reporting if any, on leakage of Unpublished Price Sensitive Information relating to the Company.

PREVENTION OF INSIDER TRADING

Pursuant to SEBI Listing Regulations, the Company has formulated the 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (**'ACC Code'**), which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of the Company's shares by the Directors, designated employees and connected persons, while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The codes have been revised in line with the amendments to the Prohibition of Insider Trading Regulations, as amended from time to time.

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations.

A structured digital database is being maintained by the Company's RTAs, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the Prohibition of Insider Trading Regulations.

The Board have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

The Chief Legal Officer & Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the codes for fair disclosure and conduct.

The Board, designated persons and other connected persons have affirmed compliance with the ACC Code.

The Company's Whistle Blower Policy (Vigil Mechanism) has also been amended to make employees aware of the existence of policies and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information to enable them to report on leakages, if any, of such information.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five (45) days of the close of the quarter. The audited annual results are announced within sixty (60) days from the close of the financial year, as required under the SEBI Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty (30) minutes from the close of the Board meetings at which these are considered and approved. The results are published in leading English daily newspapers having nation-wide circulation and the Marathi translation of the same is published in leading Marathi daily newspapers.

The audited financial statements form a part of the Annual Report, which is sent to the Members within the statutory period and in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half-yearly and the annual audited financial statements and the press releases of the Company are also placed on the Company's website at www.acclimited.com and can be downloaded.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company discloses to the stock exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations, including material information which have a bearing on the performance/operations of the Company or which is price sensitive in nature. All information is filed electronically on Bombay Stock Exchange's (BSE's) on-line portal, BSE Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited (NSE).

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. An Internal Management Committee comprising the MD & CEO, the CFO and the Chief Legal Officer & Company Secretary has been constituted and empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges.

The Policy on the above has been suitably modified and amended in line with the SEBI Listing Regulations effective from April 1, 2019.

Disclosures made to the Stock Exchanges are also made available on the Company's website under the heading 'Announcements' and can be accessed through weblink at www.acclimited.com/an.

Facility has been provided by SEBI for investors to place their complaints/grievances on a centralised web-based complaints redress system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: centralised database of all complaints, on-line upload of Action Taken Reports (ATRs) by the concerned companies and on-line viewing by investors of actions taken on the complaints and their current status.

A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education & Protection Fund Authority-Ministry of Corporate Affairs.

Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Corporate Governance Section on the Company's website.

The Company also uploads on the BSE Listing Centre and on NSE's NEAPS portal, details of analysts and institutional investor meetings, which are either held by the Company or in which the Company participates.

Reminders to shareholders are sent for enabling them to claim returned undelivered share certificates, unclaimed dividend, among others.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr. Pramod Shah of M/s. Pramod Shah & Associates, Practicing Company Secretary, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory Authority. The certificate is enclosed with this section as **Annexure 1**.

Compliance with non-mandatory provisions

The Company has been complying with the discretionary requirements as stipulated in Part E of Schedule II of the SEBI Listing Regulations which are as follows:

- The position of Chairman of the Board of Directors and that of MD & CEO are separate (this requirement has been deleted w.e.f. April 1, 2020 from Part E of Schedule II of the SEBI Listing Regulations).
- The Chairman's office is separate from that of the MD & CEO and that Company has not reimbursed the expenses incurred by him in performance of his duties.
- The audit report of the Company's Financial Statements for the year ended December 31, 2019 were unmodified.
- The Chief Internal Auditor of the Company reports directly to the Audit Committee.
- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the heading 'Means of Communication'.

GENERAL INFORMATION TO SHAREHOLDERS

Annual General Meeting

Date	:	Monday, April 6, 2020
Time	:	3.00 P.M.
Venue	:	Pama Thadani Auditorium, Jai Hind College, A Road, Churchgate, Mumbai 400 020
Financial Year	:	January-December 2019
Dividend Payment Date	:	Thursday, April 9, 2020

Investor services

With effect from September 16, 2019, with the approval of the Board of Directors, KFIN Technologies Private Limited have been appointed as the Registrar and Share Transfer Agents (**'RTA'** or **'Kfintech'**). Advance intimation to this effect was provided to the stock exchanges as also to the investors through notices issued in leading newspapers.

In consequence of the above, the Company's In-house Share Department has been dismantled with effect from the above date. All share related services to the Company's investors with effect from September 16, 2019 are being provided by Kfintech.

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given to the Kfintech.

Address for correspondence with the Company

KFIN Technologies Private Limited, Karvy Selenium, Plot Nos 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad 500032, Telangana.

Communication to Members

Members who hold shares in dematerialised form should correspond with the Depository Participant with whom they maintain their Demat Account/s for queries relating to shareholding, updation of change of address, updation of bank details for electronic credit of dividend, non-receipt of annual reports or on matters relating to the working of the Company should be addressed to the Company's RTA viz. Kfintech.

Members who hold shares in physical form should address their requests to the Company's RTA for change of address, change in bank details, processing of unclaimed dividend, sub division of shares, renewal/split/consolidation of share certificates, issue of duplicate share certificates and such requests should be signed by the first named member, as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as proof of identity and/or address as considered appropriate in addition to the requirement of certified copies of PAN cards.

Members are requested to state their DPID & Client ID/Ledger Folio number in their correspondence with the Company and provide their email address and telephone number to facilitate prompt response from the Company.

Members may please note that with effect from April 1, 2019, shares held in physical form cannot be transferred. Members in their own interest are requested to have their physical holdings dematerialised through a Depository Participant by opening a demat account.

Plant locations

The locations of the Company's plants are given on the inside cover page of the Annual Report. The details of the plants, along with their addresses and telephone numbers are also available on the Company's website at www.acclimited.com.

Market information

Listing on Stock Exchanges

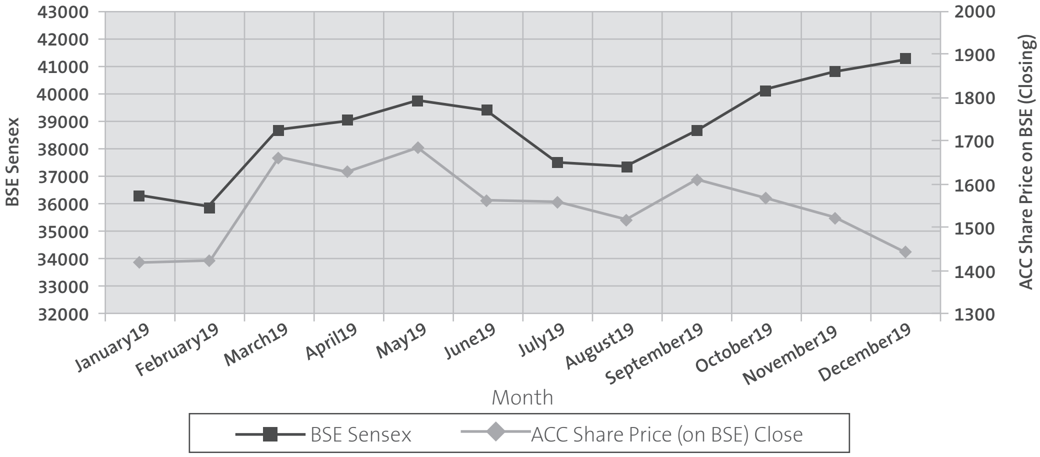
The Company's shares are listed on the following Stock Exchanges and the listing fees have been duly paid to the exchanges:

Name & Address of stock exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	500410	INE012A010125
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	ACC	

ACC Share Price on BSE *vis-à-vis* BSE Sensex January-December 2019

Month	BSE Sensex Close	ACC Share Price			Number of shares traded during the month	Turnover (₹) Crore
		High (₹)	Low (₹)	Close (₹)		
January-19	36,256.69	1,519.00	1,339.00	1,420.40	907,022	130.47
February-19	35,867.44	1,457.25	1,325.00	1,421.70	926,178	129.12
March-19	38,672.91	1,675.00	1,418.00	1,661.00	1,212,131	188.85
April-19	39,031.55	1,721.10	1,570.85	1,629.40	934,870	153.95
May-19	39,714.20	1,768.40	1,540.85	1,684.95	914,111	149.9
June-19	39,394.64	1,736.75	1,470.00	1,561.65	943,414	149.24
July-19	37,481.12	1,647.30	1,481.45	1,559.65	1,209,652	190.7
August-19	37,332.79	1,616.20	1,442.00	1,518.90	717,298	109.74
September-19	38,667.33	1,707.70	1,423.05	1,610.30	896,155	138.63
October-19	40,129.05	1,625.85	1,417.00	1,568.80	739,190	111.74
November-19	40,793.81	1,590.00	1,462.75	1,521.70	1,123,070	169.31
December-19	41,253.74	1,547.45	1,401.85	1,444.65	954,658	139.38

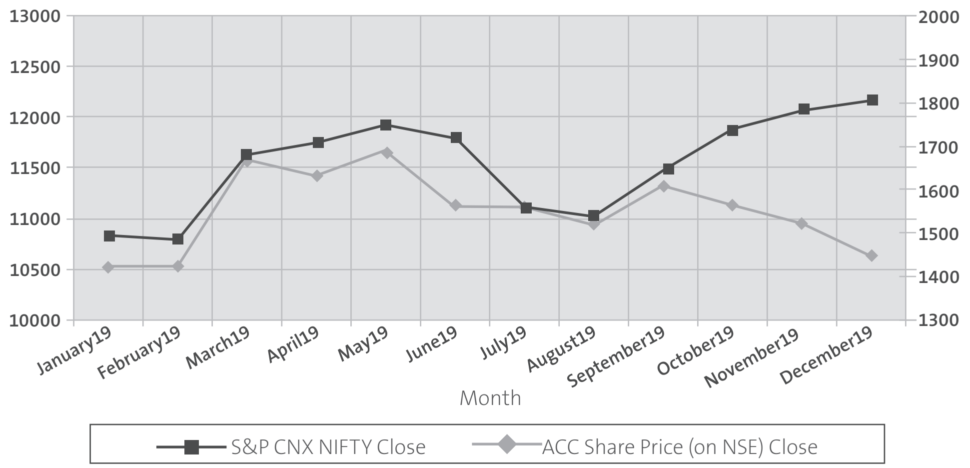
ACC Share Price on BSE & BSE Sensex



ACC Share Price on NSE *vis-à-vis* S&P CNX Nifty January-December 2019

Month	S&P CNX Nifty (Close)	ACC Share Price			Number of shares traded during the month	Turnover (₹) Crore
		High (₹)	Low (₹)	Close (₹)		
January-19	10,830.95	1,516.90	1,339.40	1,423.35	10,485,774	1,514.40
February-19	10,792.50	1,457.30	1,326.00	1,422.30	16,857,574	2,345.57
March-19	11,623.90	1,679.85	1,420.30	1,666.30	18,956,439	2,967.54
April-19	11,748.15	1,723.40	1,570.00	1,632.05	20,442,720	3,352.44
May-19	11,922.80	1,769.05	1,541.00	1,686.00	14,111,220	2,314.14
June-19	11,788.85	1,735.85	1,470.10	1,562.15	11,627,435	1,842.79
July-19	11,118.00	1,647.55	1,480.65	1,560.40	22,933,279	3,616.91
August-19	11,023.25	1,617.00	1,441.60	1,519.85	14,842,785	2,266.30
September-19	11,474.45	1,709.00	1,423.85	1,608.15	15,027,045	2,308.89
October-19	11,877.45	1,627.40	1,416.45	1,568.05	18,563,193	2,805.48
November-19	12,056.05	1,590.50	1,462.20	1,522.15	14,820,351	2,239.90
December-19	12,168.45	1,546.80	1,401.15	1,445.65	10,662,151	1,561.27

ACC Share Price on NSE & S&P CNX NIFTY



SHARE TRANSFER SYSTEM/DIVIDEND AND OTHER RELATED MATTERS

Nomination facility for shareholding

In terms of the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

Permanent Account Number

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Subdivision of shares

The Company had subdivided the face value of its equity shares from ₹100 to ₹10 in 1999. Shares having the face value of ₹100 are no longer traded on the stock exchanges. Members still holding share certificates of ₹100 are requested to send the certificates to the Registrar and Share Transfer Agent of the Company for exchange with shares of the face value of ₹10 each.

Dividend

Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. the SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their depository participant, whereas Members holding shares in physical form Should inform Kfintech of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed dividends

The Company is required to transfer dividends, which have remained unpaid/unclaimed for a period of seven (7) years from the date, the dividend is due for payment to the Investor Education & Protection Fund (**'IEPF'**) established by the Government. Accordingly, during the financial year 2020, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 75th final dividend for the year ended December 31, 2012.
- 76th interim dividend for the year ended December 31, 2013.

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the Company's website at www.acclimited.com.

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the bankers to the dividend accounts opened by the Company for the earlier years have credited back the amount of dividend lying unpaid beyond the validity period into the relevant bank accounts. The Company is in the process of reconciling the above accounts for necessary action.

The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Due date for transfer to IEPF
December 31, 2012 (75th Final)	April 5, 2013	19.00	June 9, 2020
December 31, 2013 (76th Interim)	July 25,2013	11.00	September 28, 2020
December 31, 2013 (76th Final)	April 9, 2014	19.00	June 13, 2021
December 31, 2014 (77th Interim)	July 24, 2014	15.00	September 27, 2021
December 31, 2014 (77th Final)	March 20, 2015	19.00	May 24, 2022
December 31, 2015 (78th Interim)	July 17, 2015	11.00	September 20, 2022
December 31, 2015 (78th Final)	April 13, 2016	06.00	June 17, 2023
December 31, 2016 (79th Interim)	July 26, 2016	11.00	September 29, 2023
December 31, 2016 (79th Final)	March 29, 2017	06.00	June 2, 2024
December 31, 2017 (80th Interim)	July 17, 2017	11.00	September 21, 2024
December 31, 2017 (80th Final)	June 13, 2018	15.00	August 18, 2025
December 31, 2018 (81st Final)	March 22, 2019	14.00	May 27, 2026

Transfer of the 'shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven (7) consecutive years or more)

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

Guidelines for investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF

Investors/depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under the erstwhile Companies Act, 1956 and/ or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/ guidelines stated as follows:

i. Download the Form IEPF-5 from the website of IEPF (www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit, along with the e-form carefully, before filling the form.

ii. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, and acknowledgment will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

iii. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgment issued after uploading the form.

iv. Submit an indemnity bond in original, copy of the acknowledgment and self-attested copy of e-form, along with other documents as mentioned in the Form No.IEPF-5 to the Nodal Officer of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority/Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

v. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar-linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr. Rajiv Choubey, Chief Legal Officer & Company Secretary and the Deputy Nodal Officers are Mr. Naresh Motiani and Mr. Nixon Rebello whose e-mail ids are naresh.motiani@acclimited.com and nixon.rebello@acclimited.com, respectively.

Dealing with securities which have remained unclaimed

Regulation 39(4) of the SEBI Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares', had directed Companies to dematerialise such shares, which have been returned as 'undelivered' by the postal authorities and hold these shares in an 'Unclaimed Suspense Account' to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services Ltd. (CDSL).

All corporate benefits on such shares viz. bonus, dividend etc. shall be credited to the unclaimed suspense account as applicable for a period of seven (7) years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The details of operations of the demat 'Unclaimed Suspense Account' of ACC Limited during the year are as under:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on January 1, 2019	610	1,15,934
Number of shareholders/legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	11	3,160
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	54	44,369
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on December 31, 2019	545	*68,405

*Voting Rights in respect of the aforesaid 68,405 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names

During the year under review, 53 claimants have lodged the claims with the Company for transfer of shares from Unclaimed Suspense Account maintained by the Company reclaiming in the aggregate to 14,860 equity shares, out of which request of 42 claimants aggregating to 11,700 equity shares were pending on December 31, 2019 for want of necessary documentation from these claimants.

Pending investors' grievances

Any Member whose grievance has not been resolved satisfactorily by Kfintech, may kindly write to the Chief Legal Officer & Company Secretary at the Registered Office with a copy of the earlier correspondence, if any.

Reconciliation of share capital audit

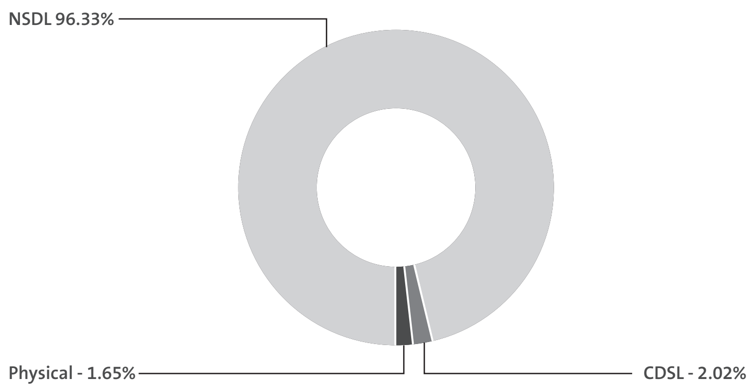
As required by the SEBI, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and the NSE and is also placed before the Stakeholders' Relationship Committee and the Board of Directors.

Distribution of shareholding as on December 31, 2019

Number of shares slab	Number of share holders	(%)	Number of Shares							% of share capital
			Physical	% of share capital	NSDL	% of share capital	CDSL	% of share capital	Total number of shares	
1-50	64,909	62.49	1,39,226	0.07	6,78,925	0.36	3,02,979	0.16	11,21,130	0.60
51-100	13,020	12.53	1,45,374	0.08	6,97,521	0.37	2,27,558	0.12	10,70,453	0.57
101-200	9,382	9.03	2,27,171	0.12	9,24,173	0.49	2,62,387	0.14	14,13,731	0.75
201-500	8,375	8.06	4,31,004	0.23	18,85,629	1.00	4,53,998	0.24	27,70,631	1.48
501-1000	4,004	3.85	3,98,701	0.21	20,63,620	1.10	4,50,940	0.24	29,13,261	1.55
1001-5000	3,418	3.29	8,67,423	0.46	50,64,811	2.70	10,05,561	0.54	69,37,795	3.69
5001-10000	360	0.35	2,44,274	0.13	19,23,285	1.02	3,69,262	0.20	25,36,821	1.35
> 10000	410	0.39	6,38,605	0.34	16,76,64,593	89.28	7,20,243	0.38	16,90,23,441	90.01
Total	**1,03,878**	**100.00**	**30,91,778**	**1.65**	**18,09,02,557**	**96.33**	**37,92,928**	**2.02**	**18,77,87,263**	**100.00**

The Company has entered into agreements with both NSDL and CDSL whereby shareholders have an option to dematerialise their shares with either of the depositories.

Distribution of shareholding as on December 31, 2019

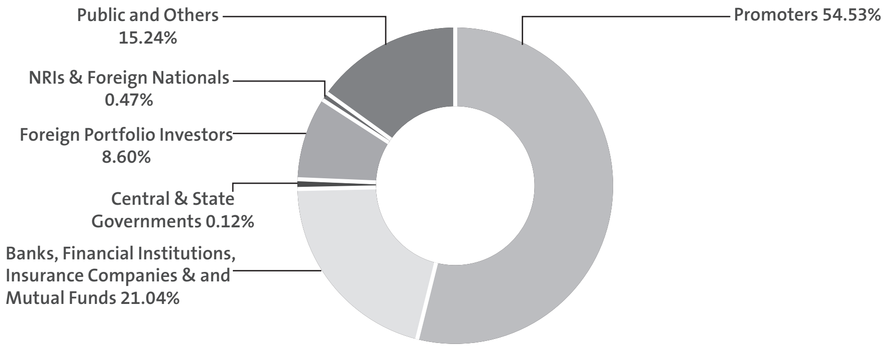


Shareholding pattern as on December 31, 2019

Category	Number of shares held	Percentage	
Promoter:			
Ambuja Cements Limited	9,39,84,210	50.05	54.53
Holderind Investments Limited	84,11,000	4.48	
Banks, Financial Institutions, Insurance Companies & Mutual Funds			
Banks/Financial Institutions	1,27,40,293	6.78	21.04
Insurance Companies	19,84,118	1.06	
Mutual Funds	2,47,95,647	13.20	
Central & State Governments	2,31,620	0.12	
Foreign Portfolio Investors	1,61,45,603	8.60	
NRIs/Foreign Nationals	8,79,595	0.47	
Directors	0	0.00	
Public and Others	2,86,15,177	15.24	
Total	**18,77,87,263**	**100.00**	

Pursuant to the amalgamation of Holcim (India) Private Ltd. with Ambuja Cements Limited with effect from August 12, 2016, all the assets of Holcim (India) Private Ltd., including the shares held by them in the Company, are now held by Ambuja Cements Limited.

Distribution of shareholding as on December 31, 2019



Statement showing shareholding of more than 1% of the capital as on December 31, 2019

Sr. No.	Name of the shareholders	Number of shares	Percentage of Share Capital (%)
1	Ambuja Cements Limited (Promoter)	93984210	50.05
	Holderind Investments Limited (Promoter)	8411000	4.48
2	Life Insurance Corporation of India	10679857	5.69
3	Franklin India Bluechip Fund	6150000	3.27
4	Aditya Birla Sun Lite Trustee Limited A/c Aditya Birla Sun Life Resurgent India Fund – Series 4	3569260	1.90
5	ICICI Prudential Equity Arbitrage Fund	2381457	1.27
	Total	**125175784**	**66.66**

Global Depository Receipts (GDR) or any convertible instrument, conversion dates and likely impact on equity: NIL

Commodity price risk or foreign exchange risk and hedging activities

The Company has Fx exposure for both revenue and capex items. However, the Company has in place a Board-approved Fx Hedging Policy to deal with such exposures.

Particulars of past three (3) Annual General Meetings

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
83rd	Calendar Year 2018	Pama Thadani Auditorium Jai Hind College, “A” Road Churchgate (West) Mumbai 400 020	March 22, 2019	3.00 P.M.	Re-appointment of Independent Directors for a second term of five consecutive years commencing from the dates on which their present appointment with the Company expires
82nd	Calendar Year 2017	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	June 13, 2018	3.00 P.M.	No Special Resolution was passed
81st	Calendar Year 2016		March 29, 2017	3.00 P.M.	No Special Resolution was passed

Extraordinary General Meeting (EGM)

No Extraordinary General Meeting was held during the period under reference.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern: NIL

Financial Calendar 2020

Board meeting for consideration of accounts for the Financial Year ended December 31, 2019 and recommendation of dividend	February 7, 2020
Posting of Annual Reports	On or before March 11, 2020
Record Date	March 30, 2020
Last date for receipt of Proxy Forms	April 4, 2020 before 3.00 P.M.
Date, Time and Venue of the 84th Annual General Meeting	Monday, April 6, 2020 at 3.00 P.M. Pama Thadani Auditorium, Jai Hind College, A Road, Churchgate, Mumbai 400 020
Dividend Payment Date	April 9, 2020
Probable date of dispatch of warrants	On or before April 8, 2020
Board meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2020	Within forty five (45) days from the end of the quarter, as stipulated under the SEBI Listing Regulations
Audited Results for the current financial year ending December 31, 2020	Within sixty (60) days from the end of the last quarter, as stipulated under the SEBI Listing Regulations

The Board in its Meeting held on February 7, 2020 has approved the Report on Corporate Governance for the financial year 2019. The said Report on Corporate Governance for the financial year 2019 has undergone a change only to the extent of change in directorships on the Board of the Company in the Board Meeting held on February 20, 2020.

For and on behalf of the Board

N. S. Sekhsaria
Chairman

Mumbai
February 20, 2020

Compliance with Code of Conduct

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended December 31, 2019.

For ACC Limited

Neeraj Akhoury
Managing Director & Chief Executive Officer

Mumbai
February 07, 2020

Managing Director & Chief Executive Officer (MD & CEO) and Chief Financial Officer (CFO) Certification

We the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of ACC Limited (the Company) to the best of our knowledge and belief certify that:

a. We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended December 31, 2019 and that to the best of our knowledge and belief, we state that:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We hereby declare that all the members of the Board of Directors and ExCo have confirmed compliance with the Code of Conduct as adopted by the Company.

d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company 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 the steps we have taken or proposed to take to rectify these deficiencies.

e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in the accounting policies during the year and that the same has 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 significant role in the Company's internal control system over the financial reporting.

Yours faithfully

Neeraj Akhoury
Managing Director & Chief Executive Officer

Rajani Kesari
Chief Financial Officer

Mumbai
February 07, 2020

ANNEXURE 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Part C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
ACC Limited
Cement House,
121, M. K. Road,
Mumbai – 400 020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ACC Limited having CIN L26940MH1936PLC002515 and having registered office at 121, Cement House, M. K. Road, Mumbai – 400 020, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on December 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in the Company
1.	Mr. Narotam Satyanarayan Sekhsaria	00276351	27/12/1999
2.	Mr. Jan Jenisch	07957196	17/10/2017
3.	Mr. Neeraj Akhoury	07419090	16/12/2016
4.	Mr. Martin Kriegner	00077715	11/02/2016
5.	Mr. Shailesh Vishnubhai Haribhakti	00007347	17/02/2006
6.	Mr. Sushil Kumar Roongta	00309302	03/02/2011
7.	Mr. Vijay Kumar Sharma	02449088	06/02/2014
8.	Ms. Falguni Sanjay Nayar	00003633	24/04/2014
9.	Mr. Christof Werner Hassig	01680305	09/12/2015
10.	Mr. Damodarannair Sundaram	00016304	22/03/2019
11.	Mr. Vinayak Chatterjee	00008933	22/03/2019
12.	Mr. Sunil Mehta	00065343	22/03/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Pramod S. Shah & Associates
(Practicing Company Secretaries)

Pramod S. Shah - Partner
Membership No.: FCS 334
C.P No.: 3804
UDIN:F000334B000119651

Place: Mumbai
Date: February 4, 2020

Independent AUDITOR'S Certificate ON CORPORATE GOVERNANCE

To,
The Members of
ACC LIMITED

1. This Certificate supersedes the earlier issued certificate dated February 7, 2020. The Board in their Meeting held on February 20, 2020 has adopted a revised Report on Corporate Governance to incorporate the changes in directorship of the **ACC LIMITED** (**"the Company"**) and accordingly the revised certificate has been issued.
2. This Certificate is issued in accordance with the terms of our engagement letter reference no. SN/2019-20/07A dated April 01, 2019.
3. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2019, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"the Listing Regulations"**).

Management's Responsibility

4. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

5. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control, Quality Control (SQC) – 1 for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2019.
10. We 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)

Place: Mumbai
Date: February 20, 2020

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L26940MH1936PLC002515
2. **Name of the Company** : ACC Limited
3. **Registered Address** : Cement House
   121, Maharshi Karve Road,
   Mumbai 400 020
4. **Website** : www.acclimited.com
5. **E-mail ID** : brr.info@acclimited.com
6. **Financial Year reported** : January 1, 2019 to December 31, 2019
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub-class	Description
239	2394	23941	Manufacture of Clinker & Cement

8. **List three key product/services that the Company manufactures/provides (as in balance sheet):**

   The Company manufactures different varieties of cement viz. Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement and Ready Mix Concrete (RMX).

9. **Total number of locations where business activity is undertaken by the Company:**
   i. **Number of international locations** : Nil
   ii. **Number of national locations** : 17 cement plants, 90 Ready Mixed concrete Plants and 26 offices including Registered Office, Regional Offices and Sales Offices
10. **Markets served by the Company** : Pan India across all markets in India.

SECTION B: (STANDALONE) FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (₹)** : ₹187.79 Crore
2. **Total turnover (₹)** : ₹15,343.11 Crore
3. **Total profit after taxes (₹)** : ₹1,358.91 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   The Company's total spending on CSR is 2.10% of the average profit after taxes in the previous three (3) financial years.

5. **List of activities in which expenditure in 4 above has been incurred:**

   Livelihood

   a) ACC DISHA – for Youth Employability

   b) ACC Swawlamban – focusing on women empowerment and livelihood

   c) ACC LEISA – for Farmer's Livelihood (Low External Input Sustainability Agriculture)

Education

d) ACC Vidya Utkarsh (Quality of Education in Government Schools)

e) ACC Vidya Sarthi (Scholarship for Students)

WASH (Water, Sanitation and Health)

f) ACC Arogyam (Preventive, Promotive and Curative health care)

g) ACC Sampurna Swachhata (Towards open defecation free villages)

Conservation of Environment

h) ACC Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water conservation)

Promoting Local Arts and Culture

i) ACC Drona (To promote rural sports and traditional Indian culture)

SECTION C: OTHER DETAILS

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

Yes, the Company has five (5) subsidiaries, viz.:

- ACC Mineral Resources Limited
- Bulk Cement Corporation (India) Limited
- Lucky Minmat Limited
- National Limestone Company Private Limited
- Singhania Minerals Private Limited

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

Business Responsibility initiatives of the parent company are applied by Bulk Cement Corporation (India) Limited, the Company's subsidiary. While Singhania Minerals Private Ltd. is operational, the remaining three subsidiaries are inoperative.

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%]

CSR initiative "*ACC ki Laadli*" under the Vidya Utkarsh project is a flagship education initiative of ACC's CSR in the Northern region of India. Wherein partnering with an NGO, this initiative has been undertaken to establish learning centres for girl in the age group of 6-14 years. About 1380 girl children, especially those out of school and belonging to marginalised and deprived sections of the society are enrolled in these schools and are given quality primary education. The aim is to mainstream these girls, and preparing them to take the class V exam of the State level.

The project implementation started in October 2013 with the support from dealers in North Region. So far 50 learning centres have been set up in different blocks of Uttar Pradesh, Himachal Pradesh, Madhya Pradesh, Punjab, Rajasthan, Haryana, Uttarakhand and Bihar. Educating girls at these centres are in progress since its inception.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

Details of the Director/Directors responsible for implementation of the BR policy/policies:

Name: Mr. Neeraj Akhoury

Director Identification Number (DIN): 07419090

Designation: Managing Director and Chief Executive Officer
(ceased to be MD & CEO w.e.f. February 20, 2020)

Name: Mr. Sridhar Balakrishnan

Director Identification Number (DIN): 08699523

Designation: Managing Director and Chief Executive Officer
(appointed as MD & CEO w.e.f. February 21, 2020)

Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Rajiv Choubey
3	Designation	Chief Legal Officer & Company Secretary
4	Telephone Number	(022) 4159 3222
5	E-mail Id	brr.info@acclimited.com

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

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

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y The policy is embedded in the Company's quality & environment policies which *inter alia* relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR Policies & other various HR practices	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
3	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y Bureau of Indian Standards (BIS)	Y	Y This policy conforms to Guidelines of Companies Act, 2013. In addition the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-	Y This policy conforms to the MoEF guidelines of Corporate Environment Responsibility under EIA Notification 2006	-	Y Policy conforms to guidelines of Companies Act, 2013. In addition the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	-	N	Y	-	Y	-	Y	-

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/Officialtooversee the implementation of the policy?	Y	Y At Executive Committee Meetings	Y	Y	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	*	-	-	***	-	Y**	-	***	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
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	The Company has a redressal mechanism to address product related complaints i.e. customer complaint portal	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 The implementation of the policy is subject to an Independent Audit by the Statutory Auditors and also has an oversight mechanism from the parent Company	-	N	Y	-	Y	-	Y	-

* http://www.acclimited.com

\# http://www.acclimited.com

** https://www.acclimited.com/assets/new/pdf/Policy/ACC-Corporate-Environment-policy-2017.pdf

*** https://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	--	--	--	--	--	--	--	--	--
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	The Company has a track record of pioneering achievements, long experience and leadership position which has benefitted the cement industry at large in initiating dialogue with Government. However, no need for a formal policy has been felt.	--	The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has customer complaint redressal system.

3. Governance related to BR:

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

Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?
Yes, ACC Limited has been publishing its Sustainability Report annually since 2007 (https://www.acclimited.com/sustainable). This year onwards the sustainability disclosures will be a part of the Integrated Annual report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business 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 Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct (along with Anti-Bribery and Corruption Directive) and a vigil mechanism named EthicalView Reporting Policy that has been approved by the Board of Directors. These are applicable to all Directors and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption

Directive and the EthicalView Reporting Policy also extend to the Company's business partners viz. vendors/service providers/customers. The Company as part of JV compliance framework of the LH Group, has encouraged JV partners to adopt the best practices with respect to Ethics, Transparency and Governance. The Code is available on the Company's website at this web address: http://www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

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 117 complaints under the EthicalView Reporting Policy, out of which (60%) were resolved and the balance 46 complaints are under various stages of investigation and completion.

Principle 2: Business 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.**

   a. **Blended cements:** Blended Cement is produced by blending clinker with solid wastes, fly ash and slag. This results in partial replacement of virgin limestone and reduced CO_2 emissions. ACC manufactures 3 types of blended cements i.e. Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite cements. In 2019, out of the total cement produced, 89% was blended cements

   b. **Co-processing services:** For more than a decade now the Company is on the forefront of providing waste management solutions to stakeholders, communities and industries. Under a separate division called 'Geocycle', the Company has provided a safe and sustainable solution for usage of 4,51,263 tonnes of waste in 2019, which otherwise would have been disposed on landfills and dumpsites. Through our co-processing technology we provide a "Zero Landfill" solution, that doesn't create any additional emission and in addition avoids the soil contamination, water and air pollution coming from landfill sites.

      Three examples of projects/services rendered to different stakeholders in different regions:

      Gagal/Himachal Pradesh (HP):

      Geocycle has made a collaboration to dispose all segregated combustible fraction (plastics) from 14 Urban Local Bodies (ULBs) in three district (Bilaspur, Mandi & Kullu) until October 2020 and shall be extended if successful, contributing to the Zero Plastic Initiative of HP Government. Since October 2019 we have co-processed 234 tonnes of plastic waste and expect to cross 1,000 tonnes in the year 2020, contributing to a Clean and Green HP.

      Jamul/Chhattisgarh:

      After years of unsuccessful trials by the steel industry, Geocycle came up with an installation to dispose Acid Tar Sludge (ATS), a material that otherwise has to be disposed in ponds which causes great harm to the environment. ATS is extremely difficult to handle in logistics and processing. The Company designed an installation to enable the feed into the kiln in Jamul and this paved the way to start co-processing ATS. The efforts are highly appreciated by the customer and also by the Chhattisgarh Enviornment Conservation Board (CECB), who supported both customer and Geocycle to realise this solution.

      Madukkarai/Tamil Nadu

      ACC Madukkarai signed an agreement with Thuvar Gram Panchayat, Kerala, for the disposal of segregated household waste through co-processing in our cement kiln. This was a stepping stone in gaining the trust of the Kerala Government for the disposal of waste from the state and lead to an MoU being signed between ACC Madukkarai and Clean Kerala Company (Kerala Government appointed and operated organisation for waste management) for waste disposal from various districts in Kerala. ACC

Madukkarai is now the only cement plant who is working with the Kerala Government as a partner to help them achieve their goal of Clean and Green Kerala.

c. **Green Building Centres:** This is an initiative to facilitate low-cost housing development in India, by promoting sustainable building materials, building techniques and locally trained workforce. Local entrepreneurs, set up these centres by entering into a Franchisee arrangement with ACC to make these sustainable products and services. The Green Building Centres have positively impacted the climate, water and nature as well as the communities at Large. The impact on the environment can be easily measured by reduction in CO_2 emission, fertile top soil conservation and utilisation of waste materials. As of end of 2019, ACC has 93 GBCs operational on a pan India basis as of end of Decement 2019.

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**

Consumption per unit of production	Current Year (January – December 2019)	Previous Year (January – December 2018)
Electrical Energy (kWh/Tonnes of Cement)	79.64	81.10
Thermal Energy (K Cal/kg of Clinker)	748	741
CO_2 Emissions (kg CO_2/Tonnes of Cement)	505.36	504.55

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

There is broad based positive impact on energy and water in the products manufacturing, construction and use phase of the built environment with all our blended cements, concrete and GBC products. However, as the cement manufacturing process is energy intensive, the Company takes several measures to reduce thermal and electrical energy consumption in its manufacturing process. Our ACC Gold cement with water repellent characteristics requires less water consumption during construction phase. Our concrete products like insulating concrete/thermocrete and fly ash/slag based GBC products will reduce energy intensity in the use phase of the built environment. Some of our concrete products reduces the water consumption in the construction phase of the built environment and some of our concrete products like permicreate will assist in water harvesting.

3. Does the Company have procedures in place for sustainable sourcing (including transportation) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company seeks to engage in long-term relationships with the suppliers committed to their social responsibility, adhere to international standards such as ISO 14001 (Environment Management System) and have systems in place to comply with the local and national laws and regulations. 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 is increasing the usage of Alternate Fuel and Raw Materials (AFR) year on year to decrease dependency on traditional fuel i.e. coal.

From the year 2017, Company had engaged Avetta, leading Global Consultant in Supplier Qualification, who helped the Company in qualifying High Risk- High Spend Suppliers and Contractors by screening them on the various counts related to Sustainable Procurement such as H&S, Labour, Environment and Bribery & Corruption. Training was conducted for more than 100 such suppliers. The Company prefers to engage with Avetta certified suppliers for new orders and supplier performance is evaluated based on sustainability criteria. Avetta also covers ACC's primary road transporters operating from plants. Evaluation through Avetta encourages safe transportation, compliance (regarding alcohol, drugs, incident occurrence, first aid policy, etc.), traffic control, vehical conditioning, code of conduct inside plant, use of PPEs, fire protection, roles and responsibility etc.

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

   ACC is currently working with nearly 2300 SME and MSME vendors across all the locations. The services taken from these vendors are spread over various categories like housekeeping, painting, catering, small repair works, technicians, welders, transportation & stationary, food and vegetable suppliers. ACC has been associated with these vendors for many years. Special consideration is always provided for these vendors in terms of payment for their goods and services made on priority basis.

   ACC has taken special consideration for these vendors and have been working on their overall development from the day they were associated with the Company. They are educated on various aspects like safety measures to be taken within the plant and outside of the plant; the employees of the vendors have been subjected to periodic health checks as well, that has led to the overall wellbeing of the people. The Company has always worked on overall development of these vendors and support their employees on all possible fronts viz. education & employment leading to social security. This has led to higher job creation in the local areas around the plant and the local vendors are important partners of the business of ACC. Some of the vendors have actually grown to move to other plants of ACC as well and are now established vendors of large businesses for other companies as well.

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.**

   Cement manufacturing process does not generate any process related waste as material collected through Air Pollution Control equipment will be used as an input material for the next process. However ancillary activities like maintenance etc., will generate some waste materials like oil soaked cotton waste, steel scrap, used oil, used filter bags, electrical waste like used bulbs, batteries and some electronic waste. Most of wastes mentioned above will be sold/disposed through authorized recylers as stipulated in the respective regulations and the relevant returns will be filed to the respective regulatory authorities from time to time. However, sometimes at few locations, waste materials like oil soaked cotton, used oil, used filter bags etc. will also be co-processed in Kilns with due permission from regulatory authorities. Apart from this we also co-process waste materials like industrial waste as alternative fuels and raw materials in our kiln and use fly ash a waste from thermal power stations and Slag from Steel Industry as a substitution of Clinker in Cement manufacturing.

Principle 3: Businesses should promote the well-being of all employees.

1. **Please indicate total number of employees:**

Sr. No.	Category of Employees	No. of Employees
1.	Management Staff	3844
2.	Shop Floor Associates	2799
	Total	**6643**

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

Sr. No.	Category of Employees	No. of Employees
1.	Third Party FTE	7378
2.	Casual Employees	0
	Total	**7378**

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

   Number of permanent women employees: 266

4. **Please indicate the number of permanent employees with disabilities.**
Number of permanent employees with disabilities: 12

5. **Do you have an employee association that is recognised by the Management?**
Yes, there are recognised trade unions affiliated to various central trade union bodies. Company's Shop Floor Associates are members of their respective unions.

6. **What percentage of permanent employees is members of this recognised employee association?**
Approximately 42% of permanent employees are members of recognised employee associations.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those 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	0	0
2	Sexual Harassment	4	4*
3	Discriminatory employment	0	0

* These 4 cases were resolved as on the date of this report.

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

A.	Permanent employees	:	100%
B.	Permanent women employees	:	100%
C.	Casual/Temporary/Contractual employee	:	100%
D.	Employees with disabilities	:	100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**
Yes, the Company has mapped its stakeholders through materiality matrix as a part of its stakeholder engagement strategy development process.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**
Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders with the help of Participatory Rural Appraisal tool based village micro plan and secondary socio-demographic data of the community.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
Yes, all CSR interventions of the Company are purposed to target the disadvantaged, vulnerable and marginalised stakeholders. For instance the education projects of the Company are largely focused on Government schools situated in remote rural pockets of India. The scholarship initiative of the Company named VidyaSaarathi that had been rolled out in 14 districts of Company operations situated in 12 states of India, targeted disadvantaged students who needed financial support to pursue their dreams of higher education.

The Company continues to run two Anti-Retroviral Therapy (ART) centres to support people affected by HIV/AIDS through medical treatment and counseling. The Company has also supported patients by organising them in Self Help Groups and through life skills development programmes and providing nutrition support to HIV infected as well as affected family members. Moreover quality education is also being provided to school going children from the affected families.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for promoting national campaigns on Open Defecation Free (ODF), Skilling & Water conservation measures.

The Company continues to engage with the vulnerable and marginalised stakeholders for their sustainable livelihood. Skills training to youth, farmers benefitted through Low external Sustainable Agriculture projects, institutionalising women SHG registered federations and facilitate for achieving 31 open defecation free villages are some of the accomplishment during 2019.

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?**
   All aspects of the human rights are in built and covered under the Code of Business Conduct as well in various human resource practices/policies.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**
   NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy pertaining to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   The Company's Corporate Environment Policy, pertaining to Principle 6, extends to cover the Company and its subsidiaries.
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 hyper-link for webpage etc.**
   Yes, the Company is committed to reduce Green House Gas (GHG) emissions and has identified five key levers to achieve the reduction of GHGs:
   - Clinker substitution by making Blended Cements
   - Alternative Fuel and Raw Materials (AFR)
   - Thermal and electrical energy efficiency
   - Waste heat recovery System (WHRS)
   - Newer technologies and renewable energy through own assets as well as Open Access

   This information is available in our webpage at: http://www.acclimited.com/sustainable/environment-and-energy
3. **Does the Company identify and assess potential environmental risks? Y/N**
   Yes, the Company has a mechanism to identify and assess potential environmental risks at plant level as well as corporate level. Potential Environmental risks also form a part of Business Risk Management Model and Materiality analysis where all business related risks are identified and their mitigation strategies and plans are worked upon. For details, please refer to MDA Report and Integrated report section of the Annual Report.
4. **Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
   Yes, the Company has three registered projects under the Clean Development Mechanism (CDM) and Environmental Compliance Report (Validation & Verification Reports) have been filed and Certified Emission Reductions Reports were issued.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyper-link to web page etc.**

   Yes, we have made significant strides in attaining energy efficiency in our cement plants/captive power plants by following initiatives:

   - Three wind farms – one each in Maharashtra, Tamil Nadu and Rajasthan with total capacity of 19 MW
   - Solar power procurement through open access
   - Waste Heat Recovery System (WHRS) at Gagal Cement Works
   - Waste Co-processing in cement plants.
   - Solar photovoltaic plant of 5.35 MW at Jamul Cement Works, Chhattisgarh
   - Various energy efficiency improvement initiatives in operations

   Details on the above initiatives can be found in this report at relevant sections.

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

   Yes, the emissions/waste generated by the Company was all within the permissible limits given by CPCB/SPCB with occasional exceedances.

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

   Few of our plants received show cause notices from CPCB/SPCB. However all notices were addressed to the satisfaction of respective regulatory authorities and no cases were pending as at the end of FY 2019.

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 chambers of association? If yes, name only those major ones that your business deals with.**

   Yes, The Company is a Member of:

   1. Cement Manufacturing Association
   2. Confederation of Indian Industries (CII)
   3. Federation of Indian Chambers of Commerce and Industry (FICCI)
   4. Federation of Indian Mineral Industries (FIMI)
   5. National Safety Council (NSC)
   6. Swiss India Chamber of Commerce
   7. Indian Merchants' Chambers
   8. Association of Business Communicators of India
   9. Global Cement and Concrete Association (GCCA) India.

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 Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, the Company actively works with above associations and advocate in the following broad areas which impact the Cement Industry:

1. Sustainable Mining Practices
2. Extended Producers Responsibility and safe management of plastic waste
3. New environmental regulations
4. Co-processing of municipal & industrial hazardous & non-hazardous wastes
5. Use of recycled waste materials (construction & demolition waste) in cement and concrete
6. Manufactured Sand and aggregate from industrial waste
7. RPO-REC regulations for cement and power plants, PAT regulations
8. Green Energy status for Waste Heat Recovery System
9. Development of new product standards for low carbon cement and concrete products
10. Environment Product Declaration and Green pro-label of Products
11. Green Buildings
12. Fly ash based pre-fab building materials
13. Promotion of Concrete Roads

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 the specific programmes/initiatives/projects in pursuance of its CSR policy (Ref. https://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf)

All sections in the host communities are engaged by the Company for developing their village micro plans through Participatory methods of planning. Individual projects are thereafter designed to address the various needs of the host communities as per the priority expressed by the communities. Conscious efforts were made to proiritising women headed, landless and small & marginal land holding families. Special drive for exclusive skilling of women and ensuring half of the scholarship of higher education goes to girls has been ensured. HIV+ and differently able beneficiaries are specially tracked within all social and business measures.

Implementations of these projects are thereafter monitored by the representatives of the villagers at all locations and course corrections measures are suggested by them if needed. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR Interventions i.e. planning of CSR projects and process monitoring. The Company also organised third party social audit committee by taking people from different sector to spear head annual evaluations through rigorous field visit and secondary data analysis. The CSR project participants include the disadvantaged, vulnerable and marginalised sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

a) Sustainable Livelihood

b) Quality of elementary Education

c) Water, Sanitation and Hygiene (WASH)

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structure/any other organisation?

The Company's CSR projects are implemented through in-house CSR Department, ACC Trust, Corporates, Academic and Government Institutions.

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

   Yes, the Company has conducted impact assessments of its CSR initiatives through third party at its 9 plant locations.

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

   The Company spent an amount of ₹25.07 Crore on development projects as mentioned below:

Sr. No.	Focus Areas	Expenditure (₹ Crore)
1	ACC DISHA - for Youth Employability	4.50
2	ACC Swawlamban - focusing on women empowerment and livelihood	1.81
3	ACC LEISA - for Farmer's Livelihood (Low External Input Sustainability Agriculture)	4.02
4	ACC Vidya Utkarsh (Quality of Education in Government Schools)	5.09
5	ACC Vidya Sarthi (Scholarship for Students)	0.68
6	ACC Arogyam (Preventive, Promotive and Curative health care)	2.73
7	ACC Sampurna Swachhata (Towards open defecation free villages)	2.71
8	ACC Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water conservation)	1.57
9	ACC Drona (To promote rural sports and traditional Indian culture)	0.76
10	Overhead	1.20
	Total	**25.07**

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

   Yes, all the community development initiatives of the Company are implemented through participatory approach. The portfolio of CSR projects are drawn from need assessments done by third parties through participatory rural appraisal method based micro plan. A Community Advisory Panel (CAP), comprising of different stakeholders from community representatives and opinion leaders of the community i.e. functional at ACC plant locations, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and sustainability are the criteria that are built in CSR initiatives from the start by creating community managed organisations. Community contribution is always a priority as that ensures continuance of the project through self governance model.

   Community management principles are inbuilt in all the CSR projects from need assessment stage to project graduation stage. Capacity building and institutional sustainability are integral part of all CSR 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 2019?**

   A total of 576 complaints were received from customers in 2019, out of which 14 (accounting for 2.4%) were pending as of December 31, 2019.

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)**

   No, the Company only displays information as mandated by local laws. No additional information is being provided on the cement bags. However we have obtained Environment Product Declaration (EPD) for all our Cement and Concrete Products. Cement EPD can be viewed on https://www.environdec.com/Detail/?Epd=13228 and Concrete EPD can be viewed at https://www.environdec.com/Detail/epd1116. All our Cement Products are CII Greenpro certified. The above certifications are the first of its kind in the Indian Cement Industry.

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 Builders Association of India (BAI) had in July 2010 filed a complaint before the Competition Commission of India (CCI) alleging anti competitive practices on the part of major cement manufacturers including the Company, which was investigated. The CCI has thereafter passed an Order against the cement manufacturers and a penalty of ₹1,147.59 Crore was levied on the Company.

This Order was challenged by the Company including other cement companies before the Competition Appellate Tribunal ('COMPAT') [now National Company Law Appellate Tribunal (NCLAT)], which granted the Stay subject to the Company depositing 10% of the penalty. Vide its judgement dated July 25, 2018, the NCLAT has dismissed the appeal of the Company. The Company has preferred an appeal before the Hon'ble Supreme Court against the above Order & Judgment of NCLAT. The Hon'ble Supreme Court vide its Order dated October 5, 2018, has admitted the Company's civil appeal and ordered for continuance of the interim orders passed by NCLAT towards stay on the demand subject to continuance of the deposit of 10% of the penalty amount.

All matters before the COMPAT (including Complaint filed by the Director General {Supply & Distribution}, Department of Civil Supplies, Government of Haryana) have been transferred to the NCLAT and the appeal is pending.

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

The Company carries out consumer survey and satisfaction survey from time to time based on commercial needs.

Analysis of Standalone Financial

The following table sets forth the breakup of the Company's expenses as part of the Revenue from operations

Amount in ₹ Crore

	2019	% of Revenue from operations	2018	% of Revenue from operations
Net Sales	15,343.11	98.00	14,477.47	97.81
Other operating revenue	313.54	2.00	323.88	2.19
Revenue from operations	**15,656.65**	**100.00**	**14,801.35**	**100.00**
Other Income	311.21	1.99	138.50	0.94
Total Income	**15,967.86**		**14,939.85**	
Cost of materials consumed	2,258.10	14.42	2,370.23	16.01
Purchase of Stock-in-Trade	361.69	2.31	89.26	0.60
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	100.81	0.64	(124.98)	(0.84)
Employee benefits expense*	863.97	5.52	881.06	5.95
Power and fuel	3,131.34	20.00	2,998.12	20.26
Freight and Forwarding expense	4,050.06	25.87	4,011.41	27.10
Finance costs	86.22	0.55	89.20	0.60
Depreciation and amortisation expense	602.97	3.85	599.64	4.05
Other expenses	2,481.23	15.85	2,531.62	17.11
Total expenses	**13,936.39**	**89.01**	**13,445.56**	**90.84**
Profit before tax	**2,031.47**	**12.98**	**1,494.29**	**10.10**
Tax expenses	672.56	4.30	488.29	3.30
Current tax adjustments for earlier years#	-	-	(500.63)	(3.38)
Profit for the year	**1,358.91**	**8.68**	**1,506.63**	**10.18**
Other Comprehensive Income for the year, net of tax	(48.98)	(0.31)	(4.85)	(0.03)
Total Comprehensive Income for the year	**1,309.93**	**8.37**	**1,501.78**	**10.15**

*Employee benefits expense for the previous year included ₹ 70 Crore on account of charge for Employee Separation Scheme.

#Income tax provision of ₹ 501 Crore related to earlier years was written back in the previous year.

Over the previous year, net sales growth is 6% and operating EBITDA growth is 18%. Expansion in EBITDA has been supported by growth in premium products, higher value added services in our Ready Mix Concrete business and efficiencies in manufacturing, supply chain and support functions.

The analysis on major items of the financial statements is given below:

1. Revenue from operations:

Amount in ₹ Crore

	2019	2018	Change	Change%
Cement*	13,603.43	13,041.09	562.34	4.31
Clinker	266.65	130.00	136.65	105.12
Ready Mix Concrete (RMX)	1,469.13	1,299.10	170.03	13.09
Income from services rendered (RMX)	3.90	7.28	(3.38)	(46.43)
Other operating revenue	313.54	323.88	(10.34)	(3.19)
TOTAL	**15,656.65**	**14,801.35**	**855.30**	**5.78**

*Does not include inter-segment cement sale to Ready Mix Concrete

Revenue from operations has increased due to following reasons:

- The Company achieved highest ever sales in current year. The Company's cement sales volume is at 28.89 million tonnes as compared to 28.37 million tonnes during previous year.
- The cement business delivered sales volume growth of 2% as compared to previous year.
- The cement market continued to witness vigorous price competition. Average selling price of cement increased by 2% in 2019 over 2018.
- Continued thrust on promotion of the Company's range of premium products, yielded an increase of about 11% in the sales volume of these products during the year.
- The company's Ready Mix Concrete business continued to register robust growth of 12% in sales volume during the year. Sale of Ready Mixed Concrete has increased from 31.57 Lakh Cubic Metres to 35.32 Lakh Cubic Metres. Value Added Products & Services (VAPS) showed a strong growth @52% year-on-year.

Other operating revenue includes accrual of incentives from State Governments under incentive schemes, write back of provision which is no longer required, scrap sales and other miscellaneous Income. There is no significant variation in other operating revenue.

2. Other Income:

Amount in ₹ Crore

	2019	2018	Change	Change%
Other income	311.21	138.50	172.71	124.70

Other income consists of income on investment of surplus funds, interest on Income Tax, gain on sale and fair valuation of financial assets, dividend from non-current investments and net gain on disposal of Property, Plant and Equipment.

Other income has increased due to following reasons:

- Higher income by ₹ 51 Crore from investment of surplus funds. Cash and cash equivalent has increased by 55% as compared to previous year.
- During the year ended December 31, 2019 receipt of Orders Giving Effect (OGE) to the CIT(A) orders for certain Assessment Years on disposal of certain appeals sanctioning income tax refunds resulted in interest income and reversal of provision for interest on income tax aggregating to ₹ 276 Crore. The Company made a provision of ₹ 177 Crore against this due to uncertainty of its ultimate realisability and the net income of ₹ 99 Crore is included in Other Income for the year ended December 31, 2019.
- Net gain on disposal / retirement of Property, Plant and Equipment in current year is ₹ 24 Crore as compared to ₹ 1 Crore in the previous year. During the year, the Company has sold the certain old and used Property, Plant and Equipments.

3. Cost of materials Consumed:

Amount in ₹ Crore

	2019	2018	Change	Change%
Cost of materials consumed	2,258.10	2,370.23	(112.13)	(4.73)

Cost of materials consumed has decreased due to following reasons:

- Cement production has decreased by 2% from 28.36 million tonnes to 27.87 million tonnes. Cost of material consumed of cement business has decreased from ₹ 624/t to 535/t of cement sold in 2019 (down by 14%).
- Ready Mix Concrete production has increased by 13% from 31.29 Lakh Cubic Metres to 35.24 Lakh Cubic Metres in 2019.
- The landed slag cost is lower by 16% during the year compared to 2018 by improvement in procurement source planning and better supply chain efficiencies. Overall cost of consumption of slag has decreased by ₹ 130 Crore.
- The landed cost of Flyash is reduced by 15% as compared to previous year on account of an increase in the consumption of lower cost wet Flyash and through source-mix optimization. Overall cost of consumption of Flyash has decreased by ₹ 40 Crore.

- Higher usage of low-cost gypsum (phospho and activated) and reduction in the consumption of costlier imported gypsum through raw-mix optimisation resulted in overall reduction in gypsum cost by 3% as compared to previous year.
- Consumption of purchase clinker has decreased by ₹ 47 Crore.

4. Purchase of Stock-in-Trade:

Amount in ₹ Crore

	2019	2018	Change	Change%
Purchase of Stock-in-Trade	361.69	89.26	272.43	305.21

Purchase of Stock-in-Trade has increased primarily on account of new arrangement for sell of clinker and purchase of cement with Kanodia Infratech Limited dated December 05, 2018. Volume under Master Supply Agreement (MSA) with Ambuja Cements Limited has also increased in the current year.

5. Changes in inventories:

Amount in ₹ Crore

	2019	2018	Change	Change%
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	100.81	(124.98)	225.79	180.66

- Movement of change in inventories is mainly on account of decrease in stock of finished and semi-finished goods as compared to previous year. Inventory reduction remains one of the key targets of the company to reduce working capital and its associated costs which leads to improved cash flow. The Company has achieved inventory reduction by inventory optimisation.
- Value of inventory of finished and semi-finished goods is reduced by 21% as compared to the previous year.

6. Employee benefits expense:

Amount in ₹ Crore

	2019	2018	Change	Change%
Employee benefit expense	**863.97**	881.06	(17.09)	(1.94)

Employee costs has decreased due to following offsetting reasons:

- During the previous year, the Company incurred an amount of ₹ 70 Crore on account of Employee Separation Scheme to improve manpower productivity.
- The employee cost has increased on account of yearly increments in salaries with effect from April 01, 2019 and additional bonus provision in current year.
- The Company has achieved the employee cost optimization by delivering strategic change and putting in place the operational capabilities.

7. Power and Fuel:

Amount in ₹ Crore

	2019	2018	Change	Change%
Power and Fuel	3,131.34	2,998.12	133.22	4.44

Power and fuel cost has increased due to following reasons:

- Clinker production has increased marginally by 1.4%. Power and Fuel cost of cement business has increased from ₹ 1051/t to 1078/t (up by 2.6%) in 2019.
- The thermal power cost was adversely impacted on account of increase in prices of imported and domestic coal as well as domestic petcoke in H1'19 due to limited availability of pet coke, higher prices of domestic linkage coal due to conversion of FSA linkage to auction linkage and increase in rail freight.
- Landed cost of imported coal and overall petcoke has increased in the range of 5% to 7%. Landed cost of domestic coal has also increased by 9%.
- The Company continued fuel mix optimization during the year. Considering the higher domestic coal prices, usage of petcoke has increased to 68% in 2019 as compared to 64% in 2018.
- The cost of generation at our thermal power plants (TPP) has gone up by 8% to ₹ 5.82 per Kwh in 2019 against ₹ 5.39 per Kwh in 2018, mainly due to increase in coal prices.

- The average cost of purchased power during the year is ₹ 6.48 per kwh as compared to ₹ 6.37 per kwh in the previous year.
- The Company is undertaking sustained measures to build a better fuel mix by maximising the use of cheaper fuel, judicious procurement of market coal through e-auctions and imports, higher consumption of alternative fuels and improvement in competencies and efficiencies at plants. These initiatives are leading to the following manufacturing efficiencies:
  - Electrical energy efficiency improved by 1.46 kwh to 79.64 kwh/t of cement during the year as against 81.10 kwh /t cement in 2018.
  - Electrical energy efficiency improved by ~ 0.40 kwh to 68.6 kwh/t of clinker during the year as against 69 kwh /t clinker in 2018 and by 0.80 kwh to 37.7 kwh/t of cement grinding during the year as against 38.5 kwh /t cement grinding in 2018.
  - Power generated by the Company's Waste Heat Recovery Plant of 7.5 MW at Gagal plant delivered savings of ₹ 26 Crore (Previous year - ₹ 22 Crore).
  - Entering into solar power purchase agreements to cut power costs and to meet renewable energy obligations.

8. Freight and Forwarding expense:

Amount in ₹ Crore

	2019	2018	Change	Change %
Freight and Forwarding expense				
Freight on Clinker transfer	495.82	515.82	(20.00)	(3.88)
Freight on Cement and Clinker	2,736.92	2,786.79	(49.87)	(1.79)
Clearing and Forwarding expenses on cement	659.97	573.47	86.50	15.09
Ready Mixed Concrete	157.35	135.33	22.02	16.27
TOTAL	**4,050.06**	**4,011.41**	**38.65**	**0.96**

Freight on Cement has decreased due to following reasons:

- Cement despatches decreased by 2% as compared to previous year. Freight on cement and clinker has decreased from ₹ 982/t to 947/t (down by 3.5%).

Following continuous efforts are made to contain the costs through Logistics strategies for improving efficiency:

- The Company implemented logistics cost and efficiency improvement initiatives such as better evacuation efficiency, warehouse rationalisation, focus on road despatches and renegotiation of contracts with the transporters
- Direct dispatches remained at previous year level
- Focus on Road Dispatches - up by 4%, higher evacuation efficiency from low cost and high contribution plants
- Improvement in operational efficiencies through mode-mix optimisation
- Road freight negotiated on the basis of axle load, truck mix & new transporters

Clearing and Forwarding Expenses on cement has increased due to following reasons:

- Clearing and Forwarding expenses on cement has increased from ₹ 202/t to ₹ 228/t (up by 13%).
- Cost up due to additional warehousing space to meet volume growth and handling of higher premium products.

Freight cost on sale of Ready Mix Concrete has gone up due to increase in volumes.

9. Finance costs:

Amount in ₹ Crore

	2019	2018	Change	Change%
Interest				
- On Income tax	16.90	29.59	(12.69)	(42.89)
- On Defined benefit obligation	7.91	9.31	(1.40)	(15.04)
- Interest on deposits from dealers	33.45	28.89	4.56	15.78

Amount in ₹ Crore

	2019	2018	Change	Change%
Interest on litigation matters	17.73	10.31	7.42	71.97
- Others	8.36	9.17	(0.81)	(8.83)
Unwinding of site restoration provision	1.87	1.93	(0.06)	(3.11)
TOTAL	**86.22**	**89.20**	**(2.98)**	**(3.34)**

Overall Finance cost has decreased due to following reasons:

- Interest on income tax for previous year included interest provision on excise incentive matter. Interest provision in current year is no longer required considering the disposal of certain appeals.
- During the current year, the Company has charged out interest of ₹ 18 Crore relating to entry tax and royalty on limestone matters relating to earlier years (Previous year - ₹ 10 Crore)

10. Depreciation and Amortization expense:

Amount in ₹ Crore

	2019	2018	Change	Change%
Depreciation on Property, Plant and Equipment	599.22	595.07	4.15	0.70
Amortisation of intangible assets	3.75	4.57	(0.82)	(17.94)
Total	**602.97**	**599.64**	**3.33**	**0.56**

There is no significant change in Depreciation and Amortization expense

11. Other Expenses:

Amount in ₹ Crore

	2019	2018	Change	Change%
Consumption of stores and spare parts	325.82	318.72	7.10	2.23
Consumption of packing materials	458.13	502.59	(44.46)	(8.85)
Rent	130.61	137.11	(6.50)	(4.74)
Rates and taxes	139.32	151.48	(12.16)	(8.03)
Repairs	149.06	168.82	(19.76)	(11.70)
Insurance	20.34	21.29	(0.95)	(4.46)
Royalties on minerals	276.83	269.16	7.67	2.85
Advertisement	111.60	72.10	39.50	54.79
Technology and Know-how fees	152.33	144.46	7.87	5.45
Impairment losses on trade receivables (net)	21.51	5.39	16.12	299.07
Corporate Social Responsibility expense	25.07	20.45	4.62	22.59
Miscellaneous expenses	672.93	722.76	(49.83)	(6.89)
Captive Consumption of cement	(2.32)	(2.71)	0.39	(14.39)
TOTAL	**2,481.23**	**2,531.62**	**(50.39)**	**(1.99)**

- Consumption of Stores and spares parts has marginally increased as compared to previous year. The Company has optimized the overall maintenance cost.
- Consumption of packing material cost has decreased mainly due to reduction in packing bag prices. Average price of packing bags decreased by 7% mainly due to reduction in prices of polypropylene granules.
- Rates and taxes were higher in previous year due to provision of ₹ 19 Crore towards royalty on limestone matter relating to earlier years.
- Advertisement expenses increased due to various brand promotional activities. During the year the Company unveiled a new brand campaign “Karein Kuch Kamaal”. Television was the main media for promoting the new TV commercial. ACC also acquired the 4 years Official Partners’ Rights for BCCI domestic cricket matches.
- Technology and Know-how fees represent the amount paid to Holcim Technology Ltd for technical support received by the Company.
- Impairment loss on trade receivable has increased primarily on account of increase in expected credit loss in Ready Mix Concrete business.
- Miscellaneous expenses include commission on sales paid to third party, information technology services, travelling expenses, other third party services, etc. Effective cost control measures have resulted in curtailment of increase in overall

miscellaneous expenses. Miscellaneous expenses as % of Net sales are reduced to 4.39% as compared to 4.99% in 2018.

12. Tax expenses:

Amount in ₹ Crore

	2019	2018	Change	Change%
Current tax	689.81	457.02	232.79	50.94
Tax adjustments for earlier years	-	(500.63)	500.63	100.00
Deferred tax charge	(17.25)	31.27	(48.52)	(155.16)
TOTAL	**672.56**	**(12.34)**	**684.90**	**5,550.24**

Effective income tax rate for 2019 is 33.11% as compared to 32.68% in previous year.

- Current tax has increased by ₹ 233 Crore mainly due to improvement in overall profitability of the Company.
- Refer Note no. 21 for tax adjustment for earlier years.

13. Property, Plant and Equipment and Capital work-in-progress:

Amount in ₹ Crore

	2019	2018	Change	Change%
Property, Plant and Equipment	6,957.28	7,012.21	(54.93)	(0.78)
Capital work-in-progress	435.34	392.16	43.18	11.01
Other Intangible assets	34.09	37.22	(3.13)	(8.41)
TOTAL	**7,426.71**	**7,441.59**	**(14.88)**	**(0.20)**

Property, Plant and Equipment has decreased due to following offsetting reasons:

- During the year, the Company has capitalised Property, Plant and Equipment of ₹ 564 Crore mainly consisting of routine maintenance and efficiency / productivity improvement capex.
- Depreciation on Property, Plant and Equipment for the year is ₹ 603 Crore.
- Capital work-in-progress includes capital expenditure for increasing the operating capacity, efficiency / productivity improvement and maintaining the operating capacity. Capital work-in-progress as at December 31, 2019 includes ₹ 38 Crore for capacity expansion projects.

14. Investments:

Amount in ₹ Crore

	2019	2018	Change	Change%
Investments in subsidiaries, associates and joint ventures	226.45	226.45	-	-
Other Non-current investments	3.70	3.70	-	-
TOTAL	**230.15**	**230.15**	**-**	**-**

- No movement in investments in the current year

15. Financial Assets - Loans and Advances:

Amount in ₹ Crore

	2019	2018	Change	Change%
Non-current loans	135.92	161.23	(25.31)	(15.70)
Current loans	31.43	78.87	(47.44)	(60.15)
TOTAL	**167.35**	**240.10**	**(72.75)**	**(30.30)**

Loans and advances consist of deposits given for power supply and deposits for supply of raw materials and loan to employee.

- Non-current loans have decreased mainly due to classification of certain deposits as short term.
- Current loans have decreased mainly on account of recovery of security deposit given for supply of raw materials.

16. Other Financial Assets:

Amount in ₹ Crore

	2019	2018	Change	Change%
Other non-current Financial assets	468.23	325.33	142.90	43.92
Other current Financial assets	270.51	231.02	39.49	17.09
	738.74	**556.35**	**182.39**	**32.78**

Other Financial Assets has increased primarily on account of accrual of GST Incentives of ₹ 175 Crore during the year under Government schemes for Sindri and Chanda plants.

17. Other assets:

Amount in ₹ Crore

	2019	2018	Change	Change%
Other non-current assets	540.78	611.77	(70.99)	(11.60)
Other current assets	803.41	713.38	90.03	12.62
TOTAL	**1,344.19**	**1,325.15**	**19.04**	**1.44**

Other non-current assets have gone down due to following reasons:

- Capital Advances has decreased as compared to previous year. Corresponding capital work in progress has increased. Decrease in capital advance is partially offset by capital advance of ₹ 51 Crore given for expansion projects.

Other current assets have gone up due to following offsetting reasons:

- Advance to suppliers for raw material has gone up by ₹ 115 Crore to meet Q1'2020 production requirements.
- Prepaid expenses increased due to advance payment of insurance policy for the year 2020.
- Increase in other current assets is partially offset by lower GST input tax credit receivables of ₹ 46 Crore on account of reduction in procurement of inbound materials.

18. Inventories:

Amount in ₹ Crore

	2019	2018	Change	Change%
Raw Materials	117.44	185.73	(68.29)	(36.77)
Work-in-Progress	177.61	222.89	(45.28)	(20.31)
Finished Goods	230.96	293.41	(62.45)	(21.29)
Stock-in-trade	7.90	0.98	6.92	706.12
Stores and Spare Parts	310.85	393.84	(82.99)	(21.07)
Packing Materials	20.65	21.83	(1.18)	(5.41)
Fuels	275.54	559.88	(284.34)	(50.79)
TOTAL	**1,140.95**	**1,678.56**	**(537.61)**	**(32.03)**

- Average inventory turnover in sales days has decreased from 39 days in 2018 to 34 days in 2019 due to decrease in overall inventory. This shows how well the Company managed its inventory levels during the year. Inventory (days) is calculated as Average Inventory/ Sales multiplied by 365.
- Raw material has decreased mainly due to reduction in Gypsum stock as part of effective inventory management and slag inventory is also reduced combined with reduction in slag prices.
- Inventory of cement and clinker has reduced as compared to previous year.
- Inventory of Stores and Spare Parts has decreased due to strict control on procurement of spare parts.
- Fuel inventory has decreased due to reduction in inventory of pet coke and imported coal as compared to previous year

19. Trade receivables:

Amount in ₹ Crore

	2019	2018	Change	Change%
Trade receivables – Cement	308.42	559.91	(251.49)	(44.92)
Trade receivables - Ready Mixed Concrete	320.01	308.35	11.66	3.78
TOTAL	**628.43**	**868.26**	**(239.83)**	**(27.62)**

- Trade receivable for cement has decreased significantly mainly due to better collection performance. Lower price also led to reduction in receivables.
- The average trade receivables in sales days outstanding for cement sales as on December 31, 2019 is 12 as compared to 13 as on December 31, 2018. This shows consistency in managing its credit with the customers and this also reflects strong financial position of most of its customers. Debtor Turnover (days) is calculated as Average Debtors/Sales multiplied by 365.
- The average trade receivables in sales days for Ready Mix Concrete business as on December 31, 2019 is 77 as compared to 80 as on December 31, 2018.

20. Cash and Cash Equivalents and other bank balances:

Amount in ₹ Crore

	2019	2018	Change	Change%
Cash and Cash Equivalents	4,383.18	2,836.84	1,546.34	54.51
Other bank balances	154.92	163.49	(8.57)	(5.24)
Total	**4,538.10**	**3,000.33**	**1,537.77**	**51.25**

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are held for a period of three months or less from the date of acquisition.

- Cash and Cash Equivalents improved by 55% to ₹ 4,383 Crore. The improvement is driven by strong performance, better collection performance, inventory optimisation and implementing appropriate payment norms for suppliers.
- Other bank balance has decreased mainly due to reduction in Margin money deposit given against bank guarantees given to Government authorities

21. Provisions:

Amount in ₹ Crore

	2019	2018	Change	Change%
Non-current provisions	234.13	139.52	94.61	67.81
Current provisions	23.39	27.30	(3.91)	(14.32)
TOTAL	**257.52**	**166.82**	**90.70**	**54.37**

Provision includes employee benefits and site restoration. Non-current provisions has increased due to following reasons:

- Provision for employee benefits for Gratuity and additional gratuity has increased due to reduction in discounting rate from 7.45% in December 2018 to 6.80% in December 2019.
- The Provident Fund of ACC limited (Trust) had invested ₹ 49 Crore in Perpetual Bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of such investment, during the current year the Company has charged ₹ 49 Crore being the change in the re-measurement of the defined benefit towards probable incremental employee benefit liability.

22. Trade Payables:

Amount in ₹ Crore

	2019	2018	Change	Change%
Trade Payables	**1,470.97**	1,922.73	(451.76)	(23.50)

- Decrease in trade payables is mainly due to lower procurement of inbound materials and spare parts.
- Average trade payable in sales days has decreased from 47 days in 2018 to 40 days in 2019.

23. Other Current Liabilities:

Amount in ₹ Crore

	2019	2018	Change	Change%
Other current financial liabilities				
Interest accrued	26.50	24.18	2.32	9.59
Unpaid dividend	30.92	34.63	(3.71)	(10.71)
Security deposits and retention money	710.54	553.40	157.14	28.40
Liability for capital expenditure	52.17	67.99	(15.82)	(23.27)
Provision for employee	113.83	92.32	21.51	23.30
Foreign currency forward contract	-	1.19	(1.19)	(100.00)
Other current liabilities				
Statutory dues	551.42	575.78	(24.36)	(4.23)
Advance from customers	156.80	226.80	(70.00)	(30.86)
Other payables	1,205.58	986.42	219.16	22.22
TOTAL	**2,847.76**	**2,562.71**	**285.05**	**11.12**

Other current financial liabilities:

- Security deposits and retention money increased mainly due to increase in Security deposit from dealers.
- Provision for employee has increased due to additional bonus provision.

Other current liabilities:

- Other payables has gone up due to following reasons:
- Liability towards interest on income tax has increased. During the year ended December 31, 2019 receipt of Orders Giving Effect (OGE) to the CIT(A) orders for certain Assessment Years on disposal of certain appeals sanctioning income tax refunds resulted in interest income and reversal of provision for interest on income tax aggregating ₹ 277 Crore. The Company made a provision of ₹ 177 Crore against this due to uncertainty of its ultimate realisability.
- Other payables also increased due to increase in provision for rebates to customers.

24. Cash Flows:

Amount in ₹ Crore

	2019	2018	Change	Change%
Net cash flow from operating activities	2,248.35	1,118.08	1,130.27	101.09

Net cash from operating activities has increased as compared to previous year due to following reasons:

- The cash operating profit before working capital changes has increased by ₹ 396 Crore due to strong performance in the current year.
- Direct tax paid - (Net of refunds) has decreased by ₹ 80 Crore. During the current year, the Company has received interest on income tax of ₹ 251 Crore.
- Working capital has decreased by ₹ 266 Crore as compared to increase by ₹ 388 Crore in previous year. Inventory and trade receivables have reduce down as compared to previous year.

Amount in ₹ Crore

	2019	2018	Change	Change%
Net cash flow from investing activities	(328.32)	(367.78)	39.46	(10.73)

Net cash used for investing activities has reduced as compared to previous year mainly due to higher interest received on investment of surplus funds.

Amount in ₹ Crore

	2019	2018	Change	Change%
Net cash flow used for financing activities	(374.16)	(441.11)	66.95	(15.18)

Net cash used for financing activities has increased as compared to previous year due to following reasons:

- Repayment of borrowings of ₹ 61 Crore in previous year which was taken from ACC Mineral Resources Limited, a wholly owned subsidiary Company.

RATIO ANALYSIS

1. Operating EBITDA margin (%)

	2019	2018
Operating EBITDA margin	15.70	14.12

- Operating EBITDA margin has increased mainly due to lower operating costs. Expansion in EBITDA margin is also supported by growth in premium products and higher value added services in our Ready Mix Concrete business.
- Input cost of raw materials such as gypsum, slag and fly ash were lower year-on-year due to material source mix optimization and supply chain negotiations. Freight & Forwarding cost reduced year-on-year due to improvement in logistics efficiency.
- Operating EBITDA for 2018 included ₹ 70 Crore on account of charge for Employee Separation Scheme which resulted into drop in Operating EBITDA margin by 48 bps in 2018.

2. Average Return on Capital Employed (%)

	2019	2018
Average Return on Capital Employed	18.43	15.02

Average return on capital employed has increased 3.41% mainly due to following reasons:

- Earnings before interest on long term borrowings and tax (EBIT) have increased by 36% against 11% growth in average Return on Capital Employed.

3. Return on Net worth (%)

	2019	2018
Return on Net worth*	11.79	9.56*

*Profit after tax for 2018 was considered after excluding provision for income tax write back of ₹ 501 Crore.

Return on Net worth has increased mainly due to 35% growth in Profit after tax against 9% growth in net worth. This shows the Company's strength in generating higher profits in current year on the shareholders' equity.

4. Current Ratio (Times)

	2019	2018
Current ratio	1.04	1.18

Decrease in current ratio is mainly on account of decrease in inventory and receivables. This reflects on the strong liquidity of the Company.

5. Price Earning Ratio (Times)

	2019	2018
Price Earning Ratio	20.03	27.84

Price Earning Ratio has decreased mainly due to 35% growth in Basic Earnings per share as against 3% fall in Company's share price due to temporary fall in stock market.

6. Net worth per Share (₹)

	2019	2018
Net worth per Share	614	561

- Net worth per share has improved primarily on account of increase in net worth by 9%.
- Net worth has increased due to increase in retained profit after distribution of dividend to shareholders.

7. Dividend per share, earning per share and Dividend Payout Ratio*

	2019	2018
Dividend per share (₹)	14	14
Basic Earnings per Share (₹)	72.36	53.57
Dividend payout ratio (%)	19	26

*Dividend Payout Ratio is calculated without considering dividend distribution tax

- Basic Earnings per share stood at ₹ 72.36 for the year ended 2019 registering an increase by 35% as compared to previous year. Improved primarily on account of higher operating profits.

8. Fixed Asset Turnover Ratio (Times)

	2019	2018
Fixed Asset Turnover Ratio	2.1	1.9

- Asset turnover ratio has improved primarily on account of increase in net sales.

Independent Auditor's Report

To The Members of ACC Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ACC Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Notes 39(A)(a) and 39(A)(b) of the standalone financial statements which describe the following matters:

a. In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,147.59 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI's Order. The Company's appeal against the said judgment of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the Tribunal would continue.

b. In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹ 35.32 crores on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these standalone financial statements. Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** (Refer Notes 23 and 39(A), to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements) The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'; • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the management from external law firms to challenge the basis used for provisions recognised or the disclosures made in the standalone financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.
2.	**Income tax provision :** (Refer Notes 21 and 39(A) of the standalone financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgment required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes / litigations. • Provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2019 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the management's underlying key assumptions in estimating the tax provisions. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions.

Independent Auditor's Report

Sr. No.	Key Audit Matters	Auditor's Responses
		• We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

Independent Auditor's Report

e) On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 39 in the standalone financial statements).

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN: 20040081AAAAAE7070

Place : Mumbai
Date : February 07, 2020

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ACC Limited (“the Company”) as of December 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Annexure "A" to the Independent Auditor's Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN: 20040081AAAAAE7070

Place : Mumbai
Date : February 07, 2020

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner i.e. at least once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deed / transfer deed / conveyance deed / other documents evidencing title of the Company, we report that, the title deeds of all the immovable properties of land and buildings which are freehold, other than self-constructed buildings, included in the property, plant and equipment are held in the name of the Company as at the Balance Sheet date, except for the following which are not held in the name of the Company as given below:

(₹. in Crores)

Particulars of the land and building	Gross Carrying Value as at December 31, 2019	Net Carrying Value as at December 31, 2019	Remarks
Freehold Land	1.37	1.37	Title deeds are in name of the entities which got merged with the Company.
Buildings	7.82	5.76	
Freehold Land	0.35	0.35	Original title deeds are not available. Copies are available.
Buildings	0.39	0.36	

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at Balance Sheet date, except for the following which are not held in the name of the Company as given below:

(₹. in Crores)

Particulars of the land	Gross Carrying Value as at December 31, 2019	Net Carrying Value as at December 31, 2019	Remarks
Leasehold Land	2.34	2.10	Title deeds are in name of the entities which got merged with the Company.
Leasehold Land	1.19	1.06	Original title deeds are not available. Copies are available.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees to directors or companies in which directors are interested which are covered under Section 185. In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacture of Cement. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. Sales Tax, Service Tax, Excise Duty and Value Added Tax are not applicable during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at December 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on December 31, 2019 on account of disputes are given below:

(₹. in Crores)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid
Income Tax Act, 1961	Income Tax and Interest	Commissioner	2012-2013	197.76
			2013-2014	14.14
			2017-2018	116.70
Sales Tax / Value Added Tax	Sales Tax, VAT, Penalty and Interest	High Court	1984-2017	147.27
		Appellate Authorities & Tribunal	1984-2017	181.75
		Commissioner	1990-2017	22.99
Central Excise Act, 1944	Excise Duty, Penalty and Interest	Supreme Court	1994-2000	2.34
		High Court	2001-2013	51.33
		Appellate Authorities & Tribunal	1994-2018	122.71
		Commissioner	2001-2018	1.55
Finance Act, 1994	Service Tax, Penalty and Interest	Appellate Authorities & Tribunal	2001-2017	174.66
		Commissioner	2005-2017	36.93
Custom Act, 1962	Custom Duty, Penalty and Interest	Appellate Authorities & Tribunal	2012-2013	0.47

Annexure "B" to the Independent Auditor's Report

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) 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 by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN: 20040081AAAAAE7070

Place : Mumbai
Date : February 07, 2020

Balance Sheet

as at December 31, 2019

(₹ Crore)

Particulars				Note No.	As at December 31, 2019	As at December 31, 2018
A.	**ASSETS**					
1)	**Non-current assets**					
	a)	Property, Plant and Equipment		2	6,957.28	7,012.21
	b)	Capital work-in-progress			435.34	392.16
	c)	Other Intangible assets		3	34.09	37.22
	d)	Investments in subsidiaries, associates and joint ventures		4	226.45	226.45
	e)	Financial Assets				
		(i)	Investments	5	3.70	3.70
		(ii)	Loans	6	135.92	161.23
		(iii)	Other financial assets	7	468.23	325.33
	f)	Non-Current Tax Assets (Net)		8	857.01	673.01
	g)	Other non-current assets		9	540.78	611.77
	Total Non-current assets				**9,658.80**	**9,443.08**
2)	**Current assets**					
	a)	Inventories		10	1,140.95	1,678.56
	b)	Financial Assets				
		(i)	Trade receivables	11	628.43	868.26
		(ii)	Cash and Cash Equivalents	12	4,383.18	2,836.84
		(iii)	Bank balances other than Cash and Cash Equivalents	13	154.92	163.49
		(iv)	Loans	14	31.43	78.87
		(v)	Other financial assets	15	270.51	231.02
	c)	Other current assets		16	803.41	713.38
					7,412.83	**6,570.42**
	d)	Non-current assets classified as held for sale		17	10.47	11.55
	Total Current assets				**7,423.30**	**6,581.97**
	TOTAL - ASSETS				**17,082.10**	**16,025.05**
B.	**EQUITY AND LIABILITIES**					
	Equity					
	a)	Equity Share Capital		18	187.99	187.99
	b)	Other Equity		19	11,333.29	10,339.67
	Total Equity				**11,521.28**	**10,527.66**
	Liabilities					
	Non-current liabilities					
	a)	Provisions		20	234.13	139.52
	b)	Deferred tax liabilities (Net)		21	642.21	663.09
	Total Non-current liabilities				**876.34**	**802.61**
	Current liabilities					
	a)	Financial Liabilities				
		(i)	Trade payables			
			Total outstanding dues of micro and small enterprises	43	11.27	8.02
			Total outstanding dues of creditors other than micro and small enterprises		1,459.70	1,914.71
		(ii)	Other financial liabilities	22	933.96	773.71
	b)	Other current liabilities		23	1,913.80	1,789.00
	c)	Provisions		24	23.39	27.30
	d)	Current Tax Liabilities (Net)			342.36	182.04
	Total Current liabilities				**4,684.48**	**4,694.78**
	Total Liabilities				**5,560.82**	**5,497.39**
	TOTAL - EQUITY AND LIABILITIES				**17,082.10**	**16,025.05**
Significant accounting policies				1		

See accompanying notes to the financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
Director
DIN: 00003633

RAJANI KESARI
Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Statement of Profit and Loss

for the year ended December 31, 2019

(₹ Crore)

	Particulars	Note No.	For the Year ended December 31, 2019		For the Year ended December 31, 2018
	INCOME				
1	Revenue from operations	25	15,656.65		14,801.35
2	Other Income	26	311.21		138.50
3	**Total Income (1+2)**			15,967.86	14,939.85
4	**EXPENSES**				
	a) Cost of materials consumed	27	2,258.10		2,370.23
	b) Purchase of Stock-in-Trade	28	361.69		89.26
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	100.81		(124.98)
	d) Employee benefits expense	30	863.97		881.06
	e) Power and fuel		3,131.34		2,998.12
	f) Freight and Forwarding expense	31	4,050.06		4,011.41
	g) Finance costs	32	86.22		89.20
	h) Depreciation and amortisation expense	33	602.97		599.64
	i) Other expenses	34	2,483.55		2,534.33
			13,938.71		13,448.27
	Captive Consumption of Cement		(2.32)		(2.71)
	Total Expenses			**13,936.39**	**13,445.56**
5	**Profit before tax (3-4)**			**2,031.47**	**1,494.29**
6	**Tax expense** (Refer Note - 21)				
	a) Current tax		689.81		457.02
	b) Tax adjustments for earlier years		-		(500.63)
	c) Deferred tax (credit) / charge		(17.25)		31.27
				672.56	(12.34)
7	**Profit for the year (5-6)**			**1,358.91**	**1,506.63**
8	**Other Comprehensive Income (OCI)**				
	(i) Items that will not be reclassified to profit and loss:				
	Re-measurement gain / (loss) on defined benefit plans	36		(75.28)	(7.45)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	21		26.30	2.60
	Other Comprehensive Income for the year, net of tax			**(48.98)**	**(4.85)**
9	**Total Comprehensive Income for the year (7+8)**			**1,309.93**	**1,501.78**
10	**Earnings per equity share of ₹ 10 each:**	35			
	Basic		₹	72.36	80.23
	Diluted		₹	72.19	80.04
	Significant accounting policies	1			

See accompanying notes to the financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
Director
DIN: 00003633

RAJANI KESARI
Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Statement of Changes in Equity

for the year ended December 31, 2019

A. Equity Share Capital

	Note No.	(₹ Crore)
As at January 01, 2018	18	187.99
Issue of equity shares		-
As at December 31, 2018	18	187.99
Issue of equity shares		-
As at December 31, 2019	18	**187.99**

B. Other Equity

For the year ended December 31, 2019

(₹ Crore)

	Reserves and surplus (Refer Note - 19)					Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	
As at January 01, 2019	67.81	845.03	2,723.30	-	6,703.53	10,339.67
Profit for the year	-	-	-	-	1,358.91	1,358.91
Other Comprehensive Income for the year, net of tax	-	-	-	-	(48.98)	(48.98)
Total comprehensive income for the year					**1,309.93**	**1,309.93**
Employee Share based payments (Refer Note - 52)	-	-	-	0.63	-	0.63
Final dividend paid for 2018 (Refer Note - 51)	-	-	-	-	(262.90)	(262.90)
Dividend distribution tax on dividend (Refer Note - 51)	-	-	-	-	(54.04)	(54.04)
As at December 31, 2019	**67.81**	**845.03**	**2,723.30**	**0.63**	**7,696.52**	**11,333.29**

For the year ended December 31, 2018

(₹ Crore)

	Reserves and surplus (Refer Note - 19)					
	Capital Reserve	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	Total Other Equity
As at January 01, 2018	67.81	845.03	2,723.30	-	5,541.33	9,177.47
Profit for the year	-	-	-	-	1,506.63	1,506.63
Other Comprehensive Income for the year, net of tax	-	-	-	-	(4.85)	(4.85)
Total comprehensive income for the year					**1,501.78**	**1,501.78**
Final dividend paid for 2017 (Refer Note - 51)	-	-	-	-	(281.68)	(281.68)
Dividend distribution tax on dividend (Refer Note - 51)	-	-	-	-	(57.90)	(57.90)
As at December 31, 2018	**67.81**	**845.03**	**2,723.30**	**-**	**6,703.53**	**10,339.67**

See accompanying notes to the financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
Director
DIN: 00003633

RAJANI KESARI
Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Statement of Cash Flow

for the year ended December 31, 2019

(₹ Crore)

	Particulars	Note no.	For the year ended December 31, 2019	For the year ended December 31, 2018
A.	**Cash flow from operating activities**			
	Profit before Tax		2,031.47	1,494.29
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation expense	33	602.97	599.64
	Profit on sale / write off of Property, Plant and Equipment (net)	26	(24.45)	(0.94)
	Gain on sale of current financial assets measured at FVTPL	26	(19.53)	(33.43)
	Dividend income	26	(1.69)	(1.09)
	Interest income	26	(265.07)	(102.13)
	Finance costs	32	86.22	89.20
	Impairment losses on trade receivables (net)	34	21.51	5.39
	Provision / (Reversal) for doubtful advances (net)		(0.11)	(0.05)
	Provision / (Reversal) for slow and non moving Stores & Spare (net)	10	6.38	4.42
	Provision no longer required written back	25	(9.48)	(24.59)
	Net gain on fair valuation of current financial assets measured at FVTPL	26	(0.47)	(0.91)
	Employee share based payments	30	0.63	-
	Amortisation of operating lease rental		-	2.78
	Fair Value movement in Derivative Instruments		-	1.19
	Unrealised exchange loss / (gain) (net)		0.12	(1.10)
	Operating profit before working capital changes		2,428.50	2,032.67
	Changes in Working Capital:			
	Adjustments for Decrease / (Increase) in operating assets:			
	Decrease / (Increase) in Trade receivable, loans and advances and other assets	6,7,9,11 & 14-17	31.38	(265.16)
	Decrease / (Increase) in Inventories	10	531.23	(279.03)
	Adjustments for Increase / (Decrease) in operating liabilities:			
	(Decrease) / Increase in Trade payables, Other liabilities and Provisions	20, 22 - 24	(296.56)	156.13
	Cash generated from operations		2,694.55	1,644.61
	Direct tax paid including interest on Income tax - (Net of refunds)		(446.20)	(526.53)
	Net Cash flow from operating activities		**2,248.35**	**1,118.08**
B.	**Cash flow from investing activities**			
	Loans to subsidiary companies	41	(0.56)	(0.29)
	Purchase of Property, Plant and Equipments (Including Capital work-in-progress and Capital Advances)			
	Capex for increases in operating capacity		(108.70)	(40.62)
	Capex for efficiency improvement and maintaining operating capacity		(431.74)	(477.03)
	Proceeds from sale of Property, Plant and Equipment		46.99	22.57
	Net proceeds from sale of mutual funds		19.53	33.43
	Investment in bank and margin money deposits (having original maturity for more than 12 months)	7	(32.27)	(4.35)
	Investment in bank and margin money deposits (having original maturity for more than 3 months)		(2,476.87)	(117.39)
	Redemption of bank and margin money deposits (having original maturity for more than 3 months)		2,481.73	125.54
	Investment in certificate of deposits		(600.00)	-
	Redemption of certificate of deposits		600.00	-
	Dividend received from Associate / Joint venture	26	1.69	1.09
	Interest received		171.88	89.27
	Net cash used in investing activities		**(328.32)**	**(367.78)**

Statement of Cash Flow

for the year ended December 31, 2019

(₹ Crore)

	Particulars	Note no.	For the year ended December 31, 2019	For the year ended December 31, 2018
C.	**Cash flow from financing activities**			
	Interest paid		(57.22)	(40.89)
	Repayment of short-term borrowing from Subsidiary Company (Refer note -2 below)	41	-	(60.64)
	Dividend paid	51	(262.90)	(281.68)
	Dividend Distribution Tax paid	51	(54.04)	(57.90)
	Net cash used in financing activities		**(374.16)**	**(441.11)**
	Net increase in cash and cash equivalents		1,545.87	309.19
	Add: Cash and cash equivalents at the beginning of the year	12	2,836.84	2,526.74
	Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	26	0.47	0.91
	Cash and cash equivalents at the end of the year	12	**4,383.18**	**2,836.84**

See accompanying notes to the financial statements

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 on Cash Flow Statements.
2. Changes in liability arising from financing activities.

(₹ Crore)

Particulars	As at January 01, 2018	Non cash Changes Conversion of Interest	Cash flow	As at December 31, 2018
Current borrowing - Loan from a subsidiary	59.17	1.47	(60.64)	-

3. Refer Note 42 for Cash flows arising from the reportable segments.

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/ W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
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DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Notes to the Financial Statements

for the year ended December 31, 2019

Company Overview and Significant Accounting Policies:

Corporate Information

ACC Limited ("the Company"), is a public Company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on The National Stock Exchange of India (NSE) and The Bombay Stock Exchange Ltd. (BSE) of India. The registered office of the Company is located at Cement House, 121, Maharshi Karve Road, Mumbai – 400020, India.

ACC Limited, a member of the LafargeHolcim Group, is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

1. Significant Accounting Policies

I. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 07, 2020.

II. Basis of Preparation

These financial statements have been prepared on a historical cost basis, except for the following material items in the Balance Sheet:

a) Certain financial assets and liabilities are measured at fair value (Refer Note 1(X) for accounting policy on Financial Instruments);

b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell; and

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies have been applied consistently over all the periods presented in these financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 — inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability.

III. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

IV. Classification of Current / Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets / liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of Current / Non-current classification of assets and liabilities.

V. Property, Plant and Equipment

Recognition and measurement

a) Property, Plant and Equipment are stated at cost of acquisition / installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses, if any).

Cost comprises the purchase price, including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use, including relevant borrowing costs.

The present value of the expected cost for the decommissioning of an asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

b) Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

d) Spares which meet the definition of Property, Plant and Equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the Statement of Profit and Loss.

e) Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition / construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

f) An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss under "Other Income / Other Expenses" when the asset is derecognised.

g) The Company had elected to continue with the carrying value of all its Property, Plant and Equipment as recognised in the financial statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Depreciation and amortisation

a) Leasehold non-mining land held under finance lease is amortised over the period of lease on a straight-line basis.

b) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non-mining land is not depreciated.

c) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight-line method and on CPP assets using the written down value method based on their respective estimated useful lives.

The Company identifies and determines cost of each component / part of the asset and depreciates separately, if the component / part have a cost which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

Estimated useful lives of assets are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

d) Depreciation on additions to Property, Plant and Equipment 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.

e) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided upto the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

f) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

g) The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

h) In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

VI. Intangible Assets

Recognition and Measurement:

a) Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

b) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c) The Company had elected to continue with the carrying value of all its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

VII. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax 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 the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

VIII. Business Combinations and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The Company measures goodwill as of the acquisition date at the difference of the fair value consideration transferred (including fair value of previously held interest and contingent consideration) less the net fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed. When such difference results into deficit, the excess is recognised in equity as capital reserve.

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

IX. Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores and Spare parts, Packing Material and Fuels

At lower of cost 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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

b) Work-in-progress, Finished Goods and Stock-in-Trade

At lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost is determined on a 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.

X. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Company's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions, (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified in the following categories:

i. **Financial assets at amortised cost**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. **Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL**

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Company does not own any financial asset classified at fair value though other comprehensive income.

iii. **Financial assets at fair value through profit or loss (FVTPL)**

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item of Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'other income' line item of Statement of Profit and Loss.

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The Company has not designated investment in any equity instruments as FVTOCI.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not hold derivative financial instruments for speculative purposes.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial statements) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   i. the Company has transferred substantially all the risks and rewards of the asset, or

   ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond, incentive receivable from Government and;

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR).

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss. This amount is reflected in a separate line in the Statement of Profit and Loss under the head 'Other expenses' as an impairment gain or loss.

For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Company's current financial liabilities mainly comprise (a) borrowings (b) trade payables, (c) liability for capital expenditure,

(d) security deposit, (e) other payables and (f) forward contract.

Initial recognition and measurement

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings and payables) as appropriate.

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Company. All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

(a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

(b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or

(c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Company does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Company's financial statements) when, and only when, the obligation under the liability is discharged or cancelled or expired.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "Financial Instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set-off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

XI. Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

XII. Investment in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company had elected to measure its investments in subsidiaries, associates and joint ventures at the Previous GAAP carrying amount and use it as its deemed cost on the transition date.

XIII. Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognise a contingent asset, if any but discloses in the financial statements.

XIV. Site Restoration and Other Environmental Provisions

The Company provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

XV. Foreign Currency Transactions / Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange 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.

XVI. Revenue Recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of the Company's core products Cement and Ready Mix Concrete is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice.

Contract Balances

Trade receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a company's right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract liabilities

Contract liabilities, which is a company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no. 23. Contract liabilities are recognised as revenue when the Company performs under the contract.

Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income and royalties

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

XVII. Retirement and Other Employee Benefits

a) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans

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 plans and the same are charged to the Statement of Profit and Loss for the year in which the employee renders the related service.

c) Defined Benefit Plans

The Company's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of Profit and Loss when they occur.

ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of Profit and Loss.

iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. Periodic contributions to the fund are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India and any expected loss in investment. Such shortfall is recognised in the retained earnings through OCI. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

d) Accumulated Compensated Absences

Accumulated compensated absences which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

e) Other Long-term benefits

Long service awards and accumulated compensated absences which are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The Company's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Statement of Profit and Loss.

f) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

i. when the Company can no longer withdraw the offer of those benefits; and

ii. when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

g) Presentation and disclosure:

For the purpose of presentation of defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. The Company presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

h) Employee share-based payments

The Ultimate holding Company of the company operates various equity-settled share-based compensation plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

XVIII. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

XIX. Borrowing Costs

Borrowing cost directly 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 or sale.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

XX. Taxation

Tax expense comprises current tax 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

Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 probable 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.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

Minimum alternate tax

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

XXI. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in Property, Plant and Equipment. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. 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. incurred by the Company in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

XXII. Segment Reporting

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of Directors of the Company has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

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.

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ("CODM").

XXIII. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and cheques on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of the Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds and certificates of deposit that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

XXIV. Government Grants and Subsidies

a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment are recognised in the Statement of Profit and Loss in the period in which they become receivable.

c) Where the government grant / subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under other operating revenue over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

d) Where the grant or subsidy relates to an asset, it is presented in the balance sheet by setting up the grant as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

XXV. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

XXVI. Use of Estimates and Judgements

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Useful lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset.

Impairment of investments in subsidiaries, associates and joint ventures

Determining whether the investments in subsidiaries, associates and joint ventures are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

XXVII. New Accounting Pronouncement – Adoption of Ind AS 115 "Revenue from contracts with Customers" (Change in accounting policy)

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 replaces Ind AS 18 Revenue.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Effective January 01, 2019, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' using the full retrospective approach.

The effect of adopting Ind AS 115 as at December 31, 2018 is as follows;

'Advances received from customers', as at December 31, 2018 has been classified as 'Contract Liabilities'.

Further, the adoption of Ind AS 115 did not have any significant impact on overall financial statements of the Company.

XXVIII. New Ind AS that has been issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard / amendments are applicable to the Company with effect from January 01, 2020.

Ind AS 116: Leases

Ind AS 116 – on March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessee. This will result in the Company recognising right of use assets and lease liability in the books.

The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:

- Lessees to record all leases on the balance sheet with exemptions available for underlying assets of low value and short-term leases. The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116.
- At the commencement of a lease, a lessee will recognise lease liability and an asset representing the right to use the asset during the lease term (right-of-use asset).
- Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.
- A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the right-of-use asset.
- The standard has no impact on the actual cash flows of a Company. However, operating lease payments currently expensed as operating cash outflows will instead be capitalised and presented as financing cash outflows in the statement of cash flows.
- The Company has reviewed all relevant contracts to identify leases and preparations for this standard are substantially complete.

This review included:

- an assessment about whether the contract depends on a specific asset,
- whether the Company obtains substantially all the economic benefits from the use of that asset; and whether the Company has the right to direct the use of that asset.
- The estimated impact of Ind AS 116 on the Company's financial statements at December 31, 2020 is as follows:

The Company intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, will be recognised at the present value of the remaining lease payments starting January 1, 2020, and discounted using the lessee's incremental borrowing rate as at the date of initial application.

Furthermore, the Company has chosen the option whereby the right-of-use asset would equal the lease liability at the initial application of Ind AS 116.

Balance sheet:

- The Company is currently finalising the implementation of the Ind AS 116 standard, which is expected to translate as of January 01, 2020 into additional lease liabilities and right-of-use assets approximately ₹ 137 Crore.

Statement of Profit and Loss:

- The Company estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹ 30 Crore from the right-of-use assets. This will offset the reduction in operating lease expenses of around ₹ 35 Crore per year, resulting in an overall increase in Earnings before interest and taxes (EBIT) of ₹ 5 Crore. Finance costs are expected to increase by approximately ₹ 10 Crore per year due to the interest recognised on lease liabilities.

Statement of Cash Flows:

- The Company estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹ 35 Crore with a related decrease in cash flows used in financing activities of ₹ 35 Crore which relates to lease payments.

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective from January 01, 2020.

1. **Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments**

   The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company has used in tax computation or plan to use in their income tax filings. The Company has currently carried out an initial assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

2. **Amendment to Ind AS 12 – Income taxes**

   The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events

3. **Ind AS 19 - Plan amendment, curtailment or settlement**

   The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

4. **Amendments to Ind AS 28, Investments to Associates and Joint Ventures**

   The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any such long-term interests in associates and joint ventures.

5. **Amendments to Ind AS 23, Borrowing Costs**

   The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not have any borrowings.

6. **Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements**

   The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

7. **Amendments to Ind AS 109, Financial Instruments**

   The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Financial Statements.

NOTE 2. Property, Plant and Equipment

Refer Note 1 (V) for accounting policy on Property, Plant and Equipment

(₹ Crore)

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Depreciation charge for the year	Disposals	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Tangible Assets :										
Freehold Non-Mining Land	133.62	0.78	-	134.40	-	-	-	-	134.40	133.62
Freehold Mining Land	306.54	33.76	-	340.30	0.77	0.27	-	1.04	339.26	305.77
Leasehold Land	39.47	-	-	39.47	1.33	0.53	-	1.86	37.61	38.14
Buildings	1,654.68	64.31	8.16	1,710.83	218.38	77.52	7.69	288.21	1,422.62	1,436.30
Plant and Equipment	6,289.36	429.33	34.22	6,684.47	1,465.58	477.16	15.95	1,926.79	4,757.68	4,823.78
Railway Sidings	251.83	4.33	-	256.16	54.17	20.98	-	75.15	181.01	197.66
Furniture and Fixtures	26.50	2.47	0.11	28.86	12.49	3.11	0.09	15.51	13.35	14.01
Vehicles	68.62	19.69	0.09	88.22	27.40	10.59	0.09	37.90	50.32	41.22
Office equipment	58.61	8.51	1.40	65.72	36.90	9.06	1.27	44.69	21.03	21.71
TOTAL	**8,829.23**	**563.18**	**43.98**	**9,348.43**	**1,817.02**	**599.22**	**25.09**	**2,391.15**	**6,957.28**	**7,012.21**

(₹ Crore)

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Depreciation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Tangible Assets :										
Freehold Non-Mining Land	130.61	3.03	0.02	133.62	-	-	-	-	133.62	130.61
Freehold Mining Land	304.45	2.09	-	306.54	0.51	0.26	-	0.77	305.77	303.94
Leasehold Land	39.21	0.26	-	39.47	0.79	0.54	-	1.33	38.14	38.42
Buildings	1,608.57	48.87	2.76	1,654.68	141.42	78.33	1.37	218.38	1,436.30	1,467.15
Plant and Equipment	5,973.02	341.42	25.08	6,289.36	1,002.87	470.77	8.06	1,465.58	4,823.78	4,970.15
Railway Sidings	243.31	8.52	-	251.83	33.49	20.68	-	54.17	197.66	209.82
Furniture and Fixtures	24.85	2.61	0.96	26.50	8.98	3.86	0.35	12.49	14.01	15.87
Vehicles	57.07	11.95	0.40	68.62	17.76	9.92	0.28	27.40	41.22	39.31
Office equipment	52.69	6.49	0.57	58.61	26.71	10.71	0.52	36.90	21.71	25.98
TOTAL	**8,433.78**	**425.24**	**29.79**	**8,829.23**	**1,232.53**	**595.07**	**10.58**	**1,817.02**	**7,012.21**	**7,201.25**

Note:-

1. Buildings include cost of shares ₹ 4,120 (Previous Year - ₹ 4,120) in various Co-operative Housing Societies, in respect of 8 (Previous Year - 8) residential flats.
2. The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for 1 case of leasehold land amounting to net block of ₹ 2.10 Crore (Previous year - ₹ 2.16 Crore), 2 cases of freehold land amounting to net block of ₹ 1.37 Crore (Previous year - ₹ 1.41 Crore) and 2 cases of Buildings amounting to net block of ₹ 5.76 Crore (Previous year - ₹ 6.46 Crore) respectively as at December 31, 2019 for which title deeds are in the name of the erstwhile Company that merged with the Company.
3. Capital work in progress as at December 31, 2019 is ₹ 435.34 Crore (Previous year - ₹ 392.16 Crore). Refer Note 47 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) during the course of its construction.
4. For contractual commitment with respect to Property, Plant and Equipment, refer Note - 38.

NOTE 3. Other Intangible assets

Refer Note 1 (VI) for accounting policy on Intangible Assets

(₹ Crore)

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2019	**Additions**	**Disposals**	**As at December 31, 2019**	**As at January 01, 2019**	**Amortisation charge for the year**	**Disposals**	**As at December 31, 2019**	**As at December 31, 2019**	**As at December 31, 2018**
Intangible Assets :										
Computer Software	2.73	0.01	-	2.74	1.87	0.67	-	2.54	0.20	0.86
Mining Rights	45.45	0.61	-	46.06	9.09	3.08	-	12.17	33.89	36.36
TOTAL	**48.18**	**0.62**	**-**	**48.80**	**10.96**	**3.75**	**-**	**14.71**	**34.09**	**37.22**

(₹ Crore)

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2018	**Additions**	**Disposals**	**As at December 31, 2018**	**As at January 01, 2018**	**Amortisation charge for the year**	**Disposals**	**As at December 31, 2018**	**As at December 31, 2018**	**As at December 31, 2017**
Intangible Assets :										
Computer Software	2.62	0.11	-	2.73	1.04	0.83	-	1.87	0.86	1.58
Mining Rights	43.54	1.91	-	45.45	5.35	3.74	-	9.09	36.36	38.19
TOTAL	**46.16**	**2.02**	**-**	**48.18**	**6.39**	**4.57**	**-**	**10.96**	**37.22**	**39.77**

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 4. Investments in subsidiaries, associates and joint ventures (measured at cost)

Refer Note 1 (XII) for accounting policy on Investment in subsidiaries, associates and joint ventures

	As at December 31, 2019			As at December 31, 2018	
	Numbers	(₹ Crore)		Numbers	(₹ Crore)
Investment in Unquoted equity instruments					
Investment in subsidiaries					
Face value ₹ 10 each fully paid					
Bulk Cement Corporation (India) Limited (94.65% shareholding)	3,18,42,050	37.27		3,18,42,050	37.27
Singhania Minerals Private Limited (100% shareholding)	5,20,000	5.50		5,20,000	5.50
Face value ₹ 100 each fully paid (Refer Note - 44)					
Lucky Minmat Limited (100% shareholding)	3,25,000	38.10		3,25,000	38.10
ACC Mineral Resources Limited (100% shareholding)	1,21,95,000	106.80		1,21,95,000	106.80
Less: Accumulated impairment		42.81			42.81
		63.99			**63.99**
National Limestone Company Private Limited (100% shareholding)	2,00,000	14.02		2,00,000	14.02
Investment in Associates					
Face value ₹ 10 each fully paid					
Alcon Cement Company Private Limited (40% shareholding)	4,08,001	22.25		4,08,001	22.25
Asian Concretes and Cements Private Limited (45% shareholding)	81,00,000	36.81		81,00,000	36.81
Investment in Joint Ventures					
Face value ₹ 10 each fully paid					
Aakaash Manufacturing Company Private Limited (40% shareholding)	4,401	6.01		4,401	6.01
OneIndia BSC Private Limited (50% shareholding)	25,01,000	2.50		25,01,000	2.50
TOTAL			**226.45**		**226.45**

Notes (I)	Aggregate amount of unquoted Investments	226.45	226.45
(II)	Aggregate amount of impairment in value of investments in unquoted equity shares	42.81	42.81
(III)	Each of the above Companies is incorporated in India and Principal activities are Cement and cement related products and services.		

Notes to the Financial Statements
for the year ended December 31, 2019

NOTE 5. Non-current - Investments

Refer Note 1 (X) for accounting policy on Investments

	As at December 31, 2019			As at December 31, 2018	
	Numbers	(₹ Crore)		Numbers	(₹ Crore)
Investment at fair value through profit or loss (FVTPL)					
Investment in equity instruments (fully paid)					
Unquoted*					
Face value ₹ 10 each fully paid					
Kanoria Sugar & General Mfg. Company Limited	4	-		4	-
Gujarat Composites Limited	60	-		60	-
Rohtas Industries Limited	220	-		220	-
The Jaipur Udyog Limited	120	-		120	-
Digvijay Finlease Limited	90	-		90	-
The Travancore Cement Company Limited	100	-		100	-
Ashoka Cement Limited	50	-		50	-
Face value ₹ 5 each fully paid					
The Sone Valley Portland Cement Company Limited	100	-		100	-
Investment at amortized cost			-		-
Investment in Unquoted bonds					
Face value ₹ 1,000,000 each fully paid					
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	3.70	37	3.70
TOTAL			3.70		3.70

Notes

(I) Aggregate value of unquoted investments **3.70** 3.70

(II) * Each of such investments is carried at value less than ₹ 50,000

Refer Note 48 for information about fair value measurement and Note 49 for credit risk and market risk of investments.

NOTE 6. Non-Current Loans

Considered good - unsecured

Refer Note 1 (X) for accounting policy on Loans

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Security deposits	126.68	150.04
Loans to Employees	9.24	11.19
TOTAL	**135.92**	**161.23**

No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 49 for information about credit risk and market risk of loans

Notes to the Financial Statements
for the year ended December 31, 2019

NOTE 7. Other Non-Current financial assets

Refer Note 1 (X) for accounting policy on Financial Instruments

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Incentives under Government schemes	431.55	320.92
Bank deposits with more than 12 months maturity*	29.06	0.26
Margin money deposit with more than 12 months maturity**	7.62	4.15
TOTAL	**468.23**	**325.33**

*Lodged as security with government authorities of ₹ 28.80 Crore (Previous year - ₹ Nil).

**Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 49 for information about credit risk and market risk of other financial assets.

NOTE 8. Non-current tax assets (net)

Refer Note 1 (XX) for accounting policy on Taxation

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Advance tax (Net of provision for tax) (Refer Note - 21)	857.01	673.01
TOTAL	**857.01**	**673.01**

NOTE 9. Other non-current assets

Unsecured, Considered Good, unless otherwise stated

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Capital Advances	94.60	180.65
Advance other than Capital Advances		
Claim receivables from Government and Others	155.81	156.02
Unsecured, considered good	4.21	4.32
Considered doubtful	(4.21)	(4.32)
Less: Allowance for doubtful deposits	155.81	156.02
Deposits with Government Bodies and Others		
Unsecured, considered good	290.37	275.10
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	290.37	275.10
TOTAL	**540.78**	**611.77**

NOTE 10. Inventories

At lower of cost and net realizable value
Refer Note 1 (IX) for accounting policy on Inventories

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Raw Materials {Including goods-in-transit ₹ 4.09 Crore (Previous year - ₹ 11.22 Crore)}	117.44	185.73
Work-in-Progress	177.61	222.89
Finished Goods	230.96	293.41
Stock-in-trade {Including goods-in-transit ₹ 0.49 Crore (Previous year - ₹ Nil)}	7.90	0.98
Stores and Spares {Including goods-in-transit ₹ 14.74 Crore (Previous year - ₹ 20.70 Crore)}	310.85	393.84
Packing Materials	20.65	21.83
Fuels {Including goods-in-transit ₹ 11.53 Crore (Previous year - ₹ 46.37 Crore)}	275.54	559.88
TOTAL	**1,140.95**	**1,678.56**

The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is ₹ 6.38 Crore (Previous year - ₹ 4.42 Crore). There has been no reversal of such write down in current and previous year

NOTE 11. Trade receivables

Refer Note 1 (X) for accounting policy on Trade receivables

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Considered good - Secured	43.35	105.90
Considered good - Unsecured*	585.08	762.36
Receivables which have significant increase in credit risk {Refer Note 49(i)}	41.13	24.65
	669.56	892.91
Less : Allowance for doubtful receivables	(41.13)	(24.65)
TOTAL	**628.43**	**868.26**

No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

*Refer Note 41 for receivables from related parties.

Refer Note 49 for information about credit risk of trade receivables.

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 12. Cash and Cash Equivalents

Refer Note 1 (XXIII) for accounting policy on Cash and Cash Equivalents

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Balances with banks:		
In current accounts	28.01	96.16
Deposits with original maturity of less than three months	2,100.00	1,015.00
	2,128.01	**1,111.16**
Cheques on hand*	36.71	98.66
Deposit with other than banks with original maturity of less than three months	250.00	100.00
Post office saving accounts	0.01	0.01
	2,414.73	**1,309.83**
Investments in liquid mutual funds measured at FVTPL	725.47	690.91
Certificates of deposit with original maturity of less than three months	1,242.98	836.10
TOTAL	**4,383.18**	**2,836.84**

*Cheques on hand are cleared subsequent to the year end.

As at December 31, 2019, the Company has sanctioned and available undrawn borrowing facilities of ₹ 145.00 Crore (Previous year - ₹ 155.00 Crore). There are no restrictions on the use of these facilities. The amount of undrawn borrowing facilities are available for future operating activities and to settle capital commitments.

NOTE 13. Bank balances other than Cash and Cash Equivalents

Refer Note 1 (X) for accounting policy on Financial Instruments

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	121.56	114.98
**Margin money deposits with original maturity for more than 3 months but less than 12 months	2.44	13.88
#On unpaid dividend accounts	30.92	34.63
TOTAL	**154.92**	**163.49**

*Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) of ₹ 121.56 Crore {(Previous year - ₹ 114.76 Crore) - Refer Note - 39 (A) (a)}.

**Margin money deposit is against bank guarantees given to Government authorities.

#These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTE 14. Current - Loans

Considered good - unsecured

Refer Note 1 (X) for accounting policy on Loans

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Security deposits	23.48	72.02
Loans and advances to related parties (Refer Note - 41)	2.41	1.56
Loans to Employees	5.54	5.29
TOTAL	**31.43**	**78.87**

No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 49 for information about credit risk and market risk of loans.

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 15. Other current financial assets

Refer Note 1 (X) for accounting policy on Financial Instruments

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Incentives under Government schemes	258.95	213.02
Interest Accrued on Investments	10.18	16.78
Other Accrued Interest	1.38	1.22
TOTAL	**270.51**	**231.02**

Refer Note 49 for information about credit risk and market risk of other financial assets.

NOTE 16. Other current assets

Unsecured, Considered Good

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Advances other than capital advances		
Advance to suppliers	437.39	322.68
Prepaid expenses	42.04	23.59
Other receivables		
Balances with statutory / government authorities	280.59	326.47
Others	43.39	40.64
TOTAL	**803.41**	**713.38**

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

NOTE 17. Non-current assets classified as held for sale

Refer Note 1 (XVIII) for accounting policy on Non-current assets held for sale

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Plant and equipment (i)	5.36	6.44
Building (ii)	5.11	5.11
TOTAL	**10.47**	**11.55**

(i) The Company intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

(ii) The Company intends to dispose off buildings (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ Nil (Previous year - ₹ 0.28 Crore) is recognised in the Statement of Profit and Loss under other expenses.

NOTE 18. Equity Share Capital

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Authorised		
22,50,00,000 (Previous year - 22,50,00,000) Equity shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous year - 10,00,00,000) Preference shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous year - 18,87,93,243) Equity shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 (Previous year - 18,77,87,263) Equity shares of ₹ 10 each fully paid	187.79	187.79
Add : 3,84,060 (Previous year - 3,84,060) Equity shares of ₹ 10 each forfeited - amount originally paid	0.20	0.20
TOTAL	**187.99**	**187.99**

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	(₹ Crore)
As at January 01, 2018	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2018	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2019	**18,77,87,263**	**187.79**

ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per 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 holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

iii) Equity shares held by holding company/ ultimate holding company and/ or their subsidiaries/ associates

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Ambuja Cements Limited, the holding company 9,39,84,120 (Previous year - 9,39,84,120) Equity shares ₹ 10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited 84,11,000 (Previous year - 84,11,000) equity shares ₹ 10 each fully paid	8.41	8.41

Companies referred above are subsidiaries of LafargeHolcim Ltd, Switzerland, the ultimate holding company.

iv) Details of shareholders holding more than 5% shares in the Company

	As at December 31, 2019		As at December 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,06,79,857	5.69	1,94,05,142	10.33

v) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

NOTE 19. Other Equity

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Capital Reserve	67.81	67.81
Securities Premium	845.03	845.03
General Reserve	2,723.30	2,723.30
Capital contribution from parent	0.63	-
Retained earnings	7,696.52	6,703.53
TOTAL	**11,333.29**	**10,339.67**

The description of the nature and purpose of each reserve within equity is as follows:

Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

Capital Contribution from parent: Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by the parent company "LafargeHolcim Ltd" to the executives and senior management of the Company.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 20. Non-current provisions

Refer Note 1 (XIII) for accounting policy on provisions
Refer Note 1 (XIV) for accounting policy on Site restoration provisions

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note - 36)	141.92	103.33
Provision for provident fund (Refer Note - 36)	55.25	0.03
Provision for long service award	4.49	3.85
Other Provisions		
Provision for Site Restoration (Refer note - 20.1 below)	32.47	32.31
TOTAL	**234.13**	**139.52**

NOTE 20.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Opening Balance	32.31	32.09
Reversal of provision during the year (net)	(1.36)	(1.62)
Utilised during the year	(0.35)	(0.09)
Unwinding of discount and changes in the discount rate	1.87	1.93
Closing Balance	**32.47**	**32.31**

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

NOTE 21. Income tax

Refer Note 1 (XX) for accounting policy on Taxation
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2019:

	For the year ended December 31, 2019		For the year ended December 31, 2018	
	(₹ Crore)	In %	(₹ Crore)	In %
Profit before tax	2,031.47		1,494.29	
At India's statutory income tax rate	709.80	34.94%	522.10	34.94%
Effect of Allowances for tax purpose				
- Tax Holiday claim under Section 80-IA	(60.07)	(2.96%)	(52.29)	(3.50%)
Effect of Non-Deductible expenses				
- Corporate social responsibility expenses	8.76	0.44%	7.13	0.48%
- Others (including effect of change in tax rate in Previous year)	14.66	0.72%	11.73	0.79%
Effect of Tax Exempt Income - Dividend	(0.59)	(0.03%)	(0.38)	(0.03%)
	(37.24)	**(1.83%)**	**(33.81)**	**(2.26%)**
At the effective income tax rate	**672.56**	**33.11%**	**488.29**	**32.68%**
Tax adjustments for earlier years (Refer Note below)	-	-	(500.63)	(33.50%)
Income tax expense reported in the Statement of Profit and Loss	**672.56**	**33.11%**	**(12.34)**	**(0.83%)**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option.

The Company will apply the lower tax rate in measurement of deferred tax only to the extent the the assets/ liabilities are expected to be realised/settled in the periods during which the Company expects to be subject to lower tax rate. This has also been clarified by the Ind AS Technical Facilitation Group (ITFG) of Ind AS Implementation Committee of the Institute of Chartered Accountants of India on October 26, 2019.

Tax adjustments for earlier years

The Company was entitled to excise incentives from Government at its Gagal plant located in the State of Himachal Pradesh, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts and hence not liable to income tax. The Income tax department had initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). The Company had received one favourable order from the Assessing Officer. Considering unfavourable orders by the Income tax department, the Company, up to December 31, 2017, had classified the risk for these matters as probable and provided for the same. During the past two years, the matter has been decided in the favour of the Company for three more years, at the Commissioner of Income tax-appeals (CIT-A) and at the Assessing Officer level, against which the department has filed an appeal with the CIT (A) and ITAT.

In view of the series of repeated favourable orders by the Income tax department in the last two years, the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A), as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

Accordingly in the previous year the Company reversed the provisions of ₹ 500.63 Crore resulting in reduction in current tax liabilities by ₹ 200.30 Crore, increase in MAT Credit Entitlement (net) of ₹ 34.72 Crore and an increase in non-current tax assets by ₹ 265.61 Crore.

During the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Company has recognised interest income on income tax refund and reversal of provision for interest expense on income tax related to excise incentive, aggregating ₹ 88.79 Crore.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the previous year in respect of excise incentives for two years. In the current year, the ITAT has directed the Assessing Officer to re-examine and take final decision independently.

Pending final closure of this matter, the aforesaid reversal of provision for tax of ₹ 500.63 Crore along with interest payable, if any of ₹ 97.37 Crore has been included under contingent liabilities in Note 39(A).

Notes to the Financial Statements
for the year ended December 31, 2019

Deferred tax:

Deferred tax relates to the following:

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Deferred Tax Liabilities:		
Depreciation and amortisation differences	933.33	895.13
	933.33	895.13
Deferred Tax Assets:		
MAT Credit Entitlement	-	22.67
Provision for employee benefits	73.68	47.37
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	98.71	103.77
Allowance for obsolescence of Stores and Spares	9.88	9.88
Allowance for doubtful receivables and other assets	17.51	11.79
Other temporary differences	91.34	36.56
	291.12	232.04
Net deferred tax liabilities	**642.21**	**663.09**

The major components of deferred tax liabilities / assets arising on account of timing differences are as follows:

(₹ Crore)

	Net Balance as on January 01, 2019	Recognised in statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2019
Deferred Tax Liabilities:					
Depreciation and amortisation differences	895.13	38.20	-	-	933.33
	895.13	**38.20**	**-**	**-**	**933.33**
Deferred Tax Assets:					
MAT Credit Entitlement	22.67	-	-	(22.67)	-
Provision for employee benefits	47.37	0.01	26.30	-	73.68
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	103.77	(5.06)	-	-	98.71
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	11.79	5.72	-	-	17.51
Other temporary differences	36.56	54.78	-	-	91.34
	232.04	**55.45**	**26.30**	**(22.67)**	**291.12**
Net deferred tax liabilities	**663.09**	**(17.25)**	**(26.30)**	**22.67**	**642.21**

(₹ Crore)

	Net Balance as on January 01, 2018	Recognised in statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Deferred Tax Liabilities:					
Depreciation and amortisation differences	861.13	34.00	-	-	895.13
	861.13	**34.00**	**-**	**-**	**895.13**
Deferred Tax Assets					
MAT Credit Entitlement*	115.73	-	-	(93.06)	22.67
Provision for employee benefits	41.71	3.06	2.60	-	47.37
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	105.44	(1.67)	-	-	103.77
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	13.07	(1.28)	-	-	11.79
Other temporary differences	33.94	2.62	-	-	36.56
	319.77	**2.73**	**2.60**	**(93.06)**	**232.04**
Net deferred tax liabilities	**541.36**	**31.27**	**(2.60)**	**93.06**	**663.09**

*MAT Credit utilised is net of MAT Credit Entitlement of ₹ 34.72 Crore increased on account of tax adjustments for earlier years as stated above.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

NOTE 22. Other current financial liabilities

Refer Note 1 (X) for accounting policy on Financial Instruments

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Financial Liabilities at amortised cost		
Interest accrued	26.50	24.18
Unpaid dividends*	30.92	34.63
Security deposits and retention money	710.54	553.40
Liability for capital expenditure	52.17	67.99
Provision for employees	113.83	92.32
Financial Liabilities at fair value		
Foreign currency forward contract	-	1.19
TOTAL	**933.96**	**773.71**

*Investor Education and Protection Fund ('IEPF') - As at December 31, 2019 , there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

NOTE 23. Other current liabilities

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Contract Liability *		
Advance from customer	156.80	226.80
Other Liability		
Statutory dues payable	551.42	575.78
Rebates to customers	497.00	446.60
Other payables	708.58	539.82
(including interest on income tax, etc.)		
TOTAL	**1,913.80**	**1,789.00**

* The Company has adopted Ind AS 115 with full retrospective approach. Advance from customer has been included as part of contract liabilities.

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2019.

NOTE 24. Current provisions

Refer Note 1 (XIII) for accounting policy on provisions

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Provision for gratuity and staff benefit schemes (Refer Note - 36)	10.21	18.16
Provision for compensated absences	12.32	8.12
Provision for long service award	0.86	1.02
TOTAL	**23.39**	**27.30**

NOTE 25. Revenue from operations

Refer Note 1 (XVI) for accounting policy on Revenue recognition

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenue from contracts with customers		
Sale of Manufactured products	14,895.73	14,357.65
Sale of Traded products	443.48	112.54
Income from services rendered	3.90	7.28
	15,343.11	14,477.47
Other Operating Revenue		
Provision no longer required written back	9.48	24.59
Scrap Sales	29.76	42.88
Government grants*	174.69	162.31
Miscellaneous Income (including insurance claim, other services, etc.)	99.61	94.10
TOTAL	**15,656.65**	**14,801.35**

*Government grants have been accrued for the GST refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

Notes to the Financial Statements
for the year ended December 31, 2019

Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenue as per Contract price	17,291.36	15,866.60
Less: Discounts and incentives	(1,948.25)	(1,389.13)
Revenue as per statement of profit and loss	**15,343.11**	**14,477.47**

The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.

The Company does not provides performance warranty for products, therefore there is no liability towards performance warranty.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Refer Note 42 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

NOTE 26. Other Income

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest income using the effective interest rate method		
Interest on bank deposits	157.94	93.01
Interest on Income Tax **	99.48	-
Other interest income	7.65	9.12
	265.07	102.13
Dividend from non-current investments from associate / joint venture	1.69	1.09
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	19.53	33.43
Net gain on fair valuation of current financial assets measured at FVTPL*	0.47	0.91
Net gain on disposal of Property, Plant and Equipment	24.45	0.94
TOTAL	**311.21**	**138.50**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

** During the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Company has recognised interest income on income tax refund and reversal of provision for interest expense on income tax, aggregating ₹ 276.66 Crore. However, considering the uncertainty of its ultimate realisability, the Company has also made a provision of ₹ 177.18 Crore for matters other than excise incentive since considered as probable, resulting in recognition of net income of ₹ 99.48 Crore in other income during the year.

Notes to the Financial Statements
for the year ended December 31, 2019

NOTE 27. Cost of materials consumed

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Inventories at the beginning of the year	185.73	153.96
Add: Purchases	2,189.81	2,402.00
	2,375.54	2,555.96
Less: Inventories at the end of the year	117.44	185.73
TOTAL	**2,258.10**	**2,370.23**

Details of cost of materials consumed

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Slag	334.75	464.91
Gypsum	358.69	356.25
Fly Ash	415.45	455.30
Cement for Ready Mix Concrete	172.50	105.75
Aggregates	252.05	238.55
Others*	724.66	749.47
TOTAL	**2,258.10**	**2,370.23**

*includes no item which in value individually accounts for 10 percent or more of the total value of cost of materials consumed.

NOTE 28. Purchases of Stock-in-Trade

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cement	360.24	79.32
Ready Mix Concrete	1.45	9.94
TOTAL	**361.69**	**89.26**

NOTE 29. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Inventories at the end of the year		
Stock-in-Trade	7.90	0.98
Finished Goods	230.96	293.41
Work-in-progress	177.61	222.89
	416.47	**517.28**
Inventories at the beginning of the year		
Stock-in-Trade	0.98	0.17
Finished Goods	293.41	161.26
Work -in-progress	222.89	230.87
	517.28	392.30
	100.81	**(124.98)**

NOTE 30. Employee benefits expense

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Salaries and Wages* (Refer Note - 47)	756.61	773.47
Contributions to Provident and other Funds	59.00	58.09
Employee share based payments (Refer Note - 52)	0.63	-
Staff welfare expenses	47.73	49.50
TOTAL	**863.97**	**881.06**

*Salaries and Wages expense for the year ended December 31, 2019 include ₹ Nil (Previous year - ₹ 70.37 Crore) on account of charge for Employee Separation Scheme.

NOTE 31. Freight and Forwarding expense

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
On Clinker transfer	495.82	515.82
On finished and Semifinished products	3,554.24	3,495.59
TOTAL	**4,050.06**	**4,011.41**

NOTE 32. Finance costs

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest		
- On Income tax	16.90	29.59
- On Defined benefit obligation (net) - (Refer Note - 36)	7.91	9.31
- Interest on deposits from dealers	33.45	28.89
- Interest on litigation matters	17.73	10.31
- Interest on loan from related party (Refer Note - 41)	-	1.47
- Others	8.36	7.70
Unwinding of discount on site restoration provision (Refer Note - 20.1)	1.87	1.93
TOTAL	**86.22**	**89.20**

NOTE 33. Depreciation and amortisation expense

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Depreciation on Property, Plant and Equipment	599.22	595.07
Amortisation of intangible assets	3.75	4.57
TOTAL	**602.97**	**599.64**

NOTE 34. Other expenses

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Consumption of stores and spare parts	325.82	318.72
Consumption of packing materials	458.13	502.59
Rent	130.61	137.11
Rates and taxes (Refer Note - 47)	139.32	151.48
Repairs	149.06	168.82
Insurance	20.34	21.29
Royalties on minerals	276.83	269.16
Advertisement	111.60	72.10
Technology and Know-how fees	152.33	144.46
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note - 49(i))}	21.51	5.39
Corporate Social Responsibility expense (Refer Note 2 below)	25.07	20.45
Miscellaneous expenses (Refer Note - 47 and 1 below)	672.93	722.76
TOTAL	**2,483.55**	**2,534.33**

Notes

1. (i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

   (ii) Miscellaneous expenses includes Commission on sales, Information technology services, Travelling expenses, Other third party services, etc.

   (iii) Miscellaneous expenses includes net loss of ₹ 4.46 Crore (Previous year - ₹ 3.23 Crore) on foreign currency transaction and translation.

   (iv) Miscellaneous expenses includes net gain of ₹ 0.94 Crore (Previous year - net loss of ₹ 2.12 Crore) on foreign currency forward contract.

   (v) Payments to Statutory Auditors (excluding applicable taxes)

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
As auditors		
Audit fees	1.78	1.78
Audit fees for financial statements for tax filing purposes	0.45	0.45
Limited Reviews	1.05	1.05
In other capacity		
Fees for other services	0.01	0.10
Reimbursement of expenses	0.04	0.07
TOTAL	**3.33**	**3.45**

2. Details of Corporate Social Responsibility expenses:

   The Company has spent ₹ 25.07 Crore (Previous Year - ₹ 20.45 Crore) towards various schemes of Corporate Social Responsibility. The details are:

   (a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹ 23.90 Crore (Previous year - ₹ 19.60 Crore) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

   (b) No amount has been spent on construction / acquisition of an asset of the Company.

Notes to the Financial Statements
for the year ended December 31, 2019

NOTE 35. Earnings Per Share - [EPS]

Refer Note 1 (xxv) for Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ Crore)

		For the year ended December 31, 2019	For the year ended December 31, 2018
Profit attributable to equity shareholders (as per Statement of Profit and Loss)		13,58.91	1,506.63
Weighted average number of equity shares for Earnings Per Share computation			
Number of shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of shares held in abeyance		4,57,816	4,55,189
(Movement in number of shares is on account of change in average fair value of share)			
Weighted average number of Equity shares adjusted for the effect of dilution		18,82,45,079	18,82,42,452
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	72.36	80.23
Diluted	₹	72.19	80.04

The following reflects the basic and diluted EPS computations excluding “tax adjustments for earlier years”:

(₹ Crore)

		For the year ended December 31, 2019	For the year ended December 31, 2018
Profit attributable to equity shareholders (as per Statement of Profit and Loss)		1,358.91	1,506.63
Less: Tax adjustments for earlier years (Refer Note - 21)		-	500.63
Profit before tax adjustments for earlier years		1,358.91	1,006.00
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	72.36	53.57
Diluted	₹	72.19	53.44

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 36. Employee benefits

Refer Note 1 (XVII) for accounting policy on Employee benefits

a) Defined Contribution Plans – Amount recognised and included in Note 30 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹ 16.60 Crore (Previous year - ₹ 16.92 Crore)

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2019.

The Company has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan as given below:

i. The Company operates a Gratuity Plan through a trust for its all employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

iii. Benefits under Post Employment Medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.

iv. Refer Note - (c) for Provident fund scheme.

Governance and Investment Strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Each year, the Board of Trustees and the Company review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

Every year an Asset-Liability-Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan’s debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

Notes to the Financial Statements

for the year ended December 31, 2019

Defined Benefit Plans as per Actuarial valuation on December 31, 2019

(₹ Crore)

	Particulars	Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
I	**Expense recognised in the Statement of Profit and Loss – for the year ended December 31, 2019**			
	Components recognised in the Statement of Profit and Loss			
1	Current service cost	13.39	9.07	(0.20)
		13.58	*8.54*	*(0.31)*
2	Net Interest cost	(0.15)	7.33	0.73
		1.01	*7.80*	*0.50*
3	Past service cost	-	-	-
		-	*(13.36)*	-
4	Net benefit expense	13.24	16.40	0.53
		14.59	*2.98*	*0.19*
	Components recognised in other comprehensive income (OCI)			
5	Actuarial (gains) / losses arising from change in financial assumptions	8.85	5.99	0.64
		(1.85)	*(0.82)*	*0.10*
6	Actuarial (gains) / losses arising from change in experience adjustments	9.01	2.59	(1.27)
		3.49	*1.62*	*3.31*
7	Actuarial (gains) / losses arising from change in demographic assumptions	(0.01)	-	-
		-	-	-
8	(Gain) / Loss on plan assets (Excluding amount included in net interest expenses)	(5.73)	-	-
		1.60	-	-
9	Sub-total - Included in OCI	12.12	8.58	(0.63)
		3.24	*0.80*	*3.41*
10	Total expense (4 + 9)	25.36	24.98	(0.10)
		17.83	*3.78*	*3.60*
II	**Amount recognised in Balance Sheet**			
1	Present value of Defined Benefit Obligation	(203.75)	(113.35)	(9.16)
		(181.90)	*(102.89)*	*(10.18)*
2	Fair value of plan assets	174.13	-	-
		173.45	-	-
3	Funded status {Surplus/(Deficit)}	(29.62)	(113.35)	(9.16)
		(8.45)	*(102.89)*	*(10.18)*
4	Net asset/(liability) as at December 31, 2019	(29.62)	(113.35)	(9.16)
		(8.45)	*(102.89)*	*(10.18)*
III	**Present value of Defined Benefit Obligation**			
1	Present value of Defined Benefit Obligation at beginning of the year	181.90	102.89	10.18
		197.92	*109.75*	*7.37*
2	Current service cost	13.39	9.07	(0.20)
		13.58	*8.54*	*(0.31)*
3	Interest cost	12.77	7.33	0.73
		13.73	*7.80*	*0.50*
4	Past service cost	-	-	-
		-	*(13.36)*	-
5	Actuarial (gains) / losses arising from changes in financial assumptions	8.85	5.99	0.64
		(1.85)	*(0.82)*	*0.10*

(Figures in italics pertain to previous year)

(₹ Crore)

	Particulars	Gratuity (Including additional gratuity) Funded	Gratuity (Including additional gratuity) Non Funded	Post employment medical benefits (PEMB)
6	Actuarial (gains) / losses arising from experience adjustments	9.01	2.59	(1.27)
		3.49	*1.62*	*3.31*
7	Actuarial (gains) / losses arising from change in demographic assumptions	(0.01)	-	-
		-	-	-
8	Benefits Payments	(22.16)	(14.52)	(0.92)
		(44.50)	*(10.64)*	*(0.79)*
9	Increase/ (Decrease) due to effect of any business combination, divestitures, transfers	-	-	-
		(0.47)	-	-
10	Present value of Defined Benefit Obligation at the end of the year	203.75	113.35	9.16
		181.90	*102.89*	*10.18*
IV	**Fair value of Plan Assets**			
1	Plan assets at the beginning of the year	173.45	-	-
		180.99	-	-
2	Interest income	12.92	-	-
		12.72	-	-
3	Contributions by Employer	0.80	-	-
		21.00	-	-
4	Actual benefits paid	(18.77)	-	-
		(39.66)	-	-
5	Actuarial gains / (losses) arising from changes in financial assumptions	5.73	-	-
		(1.60)	-	-
6	Plan assets at the end of the year	174.13	-	-
		173.45	-	-
V	**Weighted Average duration of Defined Benefit Obligation**	10 Years	10 Years	NA
		10 Years	*10 Years*	*NA*

(Figures in italics pertain to previous year)

VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2019

(₹ Crore)

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(13.26)	15.13	(8.51)	9.46	(0.70)	0.78
Future salary growth (1% movement)	14.95	(13.35)	9.32	(8.53)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.32	(0.31)

Sensitivity Analysis as at December 31, 2018

(₹ Crore)

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.44)	13.02	(7.78)	8.53	(0.76)	0.89
Future salary growth (1% movement)	12.94	(11.59)	8.94	(8.28)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.37	(0.35)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

VII The major categories of plan assets as a percentage of total plan (%)

Particulars	Gratuity	
	As at December 31, 2019	**As at December 31, 2018**
Debt instruments		
Government securities	60%	54%
Debentures and bonds	33%	38%
Equity shares	4%	4%
Cash and cash equivalents:		
Fixed deposits	3%	4%
	100%	**100%**

VIII Actuarial Assumptions:

		As at December 31, 2019	**As at December 31, 2018**
a)	**Financial Assumptions**		
1	Discount rate	6.80%	7.45%
2	Salary increase rate	7.00%	7.00%
b)	**Demographic Assumptions**		
1	Retirement age	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years
3	Disability rate	5.00%	5.00%
4	Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate
5	Mortality post–retirement	Mortality for annuitants LIC (1996-98) Ultimate	Mortality for annuitants LIC (1996-98) Ultimate
6	Medical premium inflation	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%

c) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

d) 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.

e) Expected cash flows:

(₹ Crore)

Particulars	Funded Gratuity		Unfunded Gratuity		PEMB	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
1. Expected employer contribution in the next year	-	15.00	-	-	-	-
2. Expected benefit payments						
Year 1	23.54	20.95	9.43	8.89	0.96	0.83
Year 2	22.98	20.42	9.85	9.02	0.98	0.86
Year 3	24.87	21.30	10.69	9.57	1.00	0.91
Year 4	22.45	22.38	11.88	11.26	1.03	0.95
Year 5	22.79	20.04	10.90	10.34	1.02	0.99
Next 5 years	77.87	77.47	47.33	44.14	4.85	4.90
Total expected payments	**194.50**	**182.56**	**100.08**	**93.22**	**9.84**	**9.44**

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Statement of Profit and Loss.

g) Other Long term employee benefits - Amount recognised as an expense under employee benefit expenses in the Statement of Profit and Loss in respect of compensated absences and long service award is ₹ 17.87 Crore (Previous year - ₹ 14.08 Crore). Following are the actuarial assumptions used for valuation of Other Long term employee benefits.

Actuarial Assumptions:	As at December 31, 2019	As at December 31, 2018
a) Financial Assumptions		
1 Discount rate	6.80%	7.45%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate

c) Provident Fund

Provident Fund for certain eligible employees is managed by the Company through a trust "The Provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate. The exempt provident fund set up by the company is a defined benefit plan under Ind AS 19 Employee Benefits.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and loss of ₹ 55.21 Crore (including investment risk fall as mentioned below) on re-measurement of the defined benefit plan is recognised in Other Comprehensive Income (OCI).

The Provident Fund of ACC Limited (Trust) had invested ₹ 49 Crore in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of this investment, during the current year ended December 31, 2019 the Company has provided ₹ 49 Crore being the change in re-measurement of the defined benefit plans, in Other Comprehensive Income towards probable incremental employee benefit liability that may arise on the Company on account of any likely shortfall of the Trust in meeting its obligations.

Defined benefit plans as per actuarial valuation on December 31, 2019

(₹ Crore)

	Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
I	**Components of expense recognised in the Statement of Profit and Loss**		
1	Current service cost	25.64	22.71
2	Net benefit expense	25.64	22.71
	Components recognised in other comprehensive income (OCI)		
3	Actuarial (gains) / losses arising from changes in financial assumptions on Liability	12.72	-
4	Actuarial (gains) / losses arising from changes in financial assumptions on Plan Assets	42.49	-
5	Sub-total - Included in OCI	55.21	-
6	Total expense (2 + 5)	80.85	22.71
II	**Amount recognised in Balance Sheet**		
1	Present value of Defined Benefit Obligation	(820.64)	(729.68)
2	Fair value of plan assets	765.39	729.65
3	Funded status {Surplus/(Deficit)}	(55.25)	(0.03)
4	Net asset/(liability) as at end of the year	(55.25)	(0.03)
III	**Present Value of Defined Benefit Obligation**		
1	Present value of Defined Benefit Obligation at beginning of the year	729.68	714.09
2	Current service cost	25.64	22.71
3	Interest cost	62.66	43.32
4	Employee Contributions	63.32	63.73
5	Actuarial (gains) / losses arising from changes in financial assumptions	-	(4.40)
6	Actuarial (gains) / losses arising from experience adjustments	12.72	(1.92)
7	Benefits Payments	(82.35)	(134.09)
8	Increase/ (Decrease) due to effect of any transfers	8.97	26.24
9	Present value of Defined Benefit Obligation at the end of the year	820.64	729.68
IV	**Fair Value of Plan Assets**		
1	Plan assets at the beginning of the year	729.65	717.43
2	Interest income	62.65	43.32
3	Contributions by Employer	25.64	22.71
4	Contributions by Employee	63.32	63.73
5	Actual benefits paid	(82.35)	(134.09)
6	Net transfer in / (out)	8.97	26.24
7	Actuarial gains / (losses) arising from changes in financial assumptions	(42.49)	(9.69)
8	Plan assets at the end of the year	765.39	729.65
V	**Weighted Average duration of Defined Benefit Obligation**	10 years	10 years

VI The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2019	As at December 31, 2018
Debt instruments		
Government securities	29%	37%
Debentures and bonds	68%	56%
Equity	3%	7%
	100%	**100%**

VII The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2019	As at December 31, 2018
Discounting rate	6.80%	7.45%
Guaranteed interest rate	8.65%	8.55%
Yield on assets based on the Purchase price and outstanding term of maturity	8.60%	9.20%

VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

(₹ Crore)

Particulars	As at December 31, 2019		As at December 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.43)	1.45	(5.31)	22.84
Interest rate guarantee (1% movement)	42.20	(19.18)	22.48	(5.31)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

IX The Company expects to contribute ₹ 27.00 Crore (Previous year - ₹ 24.00 Crore) to trust managed Provident Fund in next year.

NOTE 37. Leases

Refer Note 1 (XXI) for accounting policy on Leases

Operating lease commitments — Company as lessee

The Company has entered into operating leases on certain assets (grinding facility, godowns, flats, land, office premises and other premises). The Company has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases. At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

Operating lease payment recognised in the Statement of Profit and Loss amounts to ₹ 133.28 Crore (Previous year - ₹ 127.80 Crore) .

a) Future minimum rental payables under non-cancellable operating leases are as follows:

(₹ Crore)

		As at December 31, 2019	As at December 31, 2018
(i)	Not later than one year	35.00	53.93
(ii)	Later than one year and not later than five years	98.81	57.91
(iii)	Later than five years	40.80	28.55
		174.61	**140.39**

The Company has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Company has evaluated such arrangement and identified them in the nature of lease as the Company takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

The Company has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Company has concluded that it is impracticable to separate the lease payments from other payments made under this arrangement reliably and hence all payments under this arrangement are considered as lease payments. There are no minimum lease payments under such arrangement.

Finance lease

The Company has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments hence other disclosures are not given.

NOTE 38. Capital and other Commitments

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

(₹ Crore)

		As at December 31, 2019	As at December 31, 2018
A)	Estimated value of contracts on capital account remaining to be executed (Net of advance)	457.71	159.17
B)	For commitments relating to lease arrangements, refer note - 37		

NOTE 39. Contingent liabilities not provided for -

Refer Note 1 (XIII) for accounting policy on Contingent liabilities

(A) Claims against the Company not acknowledged as debt:

Disputed claims / levies in respect of:

(₹ Crore)

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2019	As at December 31, 2018
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,619.39	1,487.98
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts (Refer Note - 21)	598.00	500.63
Service Tax - The Finance Act, 1994	Refer note c below	90.43	87.66
Claims for mining lease rent	Refer note d below	212.22	73.46
Sales Tax Act / Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities.	20.52	20.52
	Other Sales tax matters	9.65	14.90
Customs Duty - The Customs Act, 1962	Demand of duty on import of Steam Coal during 2001 to 2013 classifying it as Bituminous Coal	30.97	30.97
Other Statutes/ Other Claims	Claims by suppliers regarding supply of raw material	28.80	32.78
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court	9.80	14.70
	Various other cases pertaining to claims related to Railways, labour laws, etc	7.08	7.12

(₹ Crore)

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2019	As at December 31, 2018
Mines and Minerals (Development and Regulation) Act	Demand of additional Royalty on Limestone based on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made by the Company based on the actual quantity of limestone extracted. Matter is pending at Madras High Court	7.93	7.93
	TOTAL	**2,634.79**	**2,278.65**

In respect of above matters, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings, and has adequately provided where required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

a) In 2012, the Competition Commission of India ('CCI') issued an Order 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 ₹ 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

   After hearing the matter, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with section 3(3)(a) and Sec 3 (3)(b) of the Competition Act and imposed a penalty of ₹ 1,147.59 Crore on the Company.

   The Company had appealed against the penalty to the Competition Appellate Tribunal ('COMPAT') which granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2019 is ₹ 436.48 Crore (Previous Year - ₹ 305.07 Crore). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

   Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

   Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹ 35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

   Based on the advice of external legal counsel, the Company believes it has a strong case on merits for a successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

c) The dispute is regarding whether the “place of removal” is the “factory gate / Depot” or “destination point of customer” for availment of Service Tax Credit on “Outward Transportation cost” of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not “Input Service” and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assessee relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon’ble Supreme Court, vide Order dated January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s. Ultratech Cement (Chattishgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon’ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/S Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon’ble Supreme Court remanded to High Court for deciding whether decision of Ultratech (Karnataka State) will be applicable or not.

Based on the advice of the external legal counsel, conflicting decisions of various courts and CBIC Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company has received demand notice dated May 10, 2013 from the Government of Tamil Nadu, and an Order dated August 22, 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 01.04.1997 to 31.03.2014 and 01.04.2014 to 31.03.2019, amounting to ₹ 73.46 Crores and ₹ 138.76 Crores respectively for use of the Government land for mining, which land the Company occupies on the basis of the Mining Leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the company to pay compensation for use of Government land. Company has challenged the demands by way of Revision under the Mineral Concession Rules and in Writ Petitions before the Hon’ble High Court of Tamil Nadu at Chennai, and in a Petition has obtained an order restraining the State from taking coercive steps. Pending the same the High Court of Tamil Nadu in the group Writ Petitions of other cement manufacturers viz Dalmia Cements, Madras Cements and others has passed a judgment dated November 20, 2019 allowing annual compensation to be collected by the state under rule 72 of MCR in respect of Government Poramboke Land. The Company has filed a Writ Appeal against the Judgment dated November 20, 2019 passed in Dalmia Cements, Madras Cements and others.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

(B) Guarantees excluding financial guarantees

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Guarantees given to Government Bodies on behalf of subsidiary companies	**12.54**	0.04

NOTE 40 Material demands and disputes relating to assets and liabilities considered as remote by the Company

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ₹ 56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon’ble High Court and confirmed by the Hon’ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64 Crore (tax of ₹ 56 Crore and interest of ₹ 8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 Crore representing part of the One Time Lumpsum capital subsidy claim of ₹ 15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received only ₹ 64 Crore out of total ₹ 235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding.

The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP will be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore (Previous year - ₹ 133 Crore) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company is of the view and has been advised legally, that the merits are strongly in its favour.

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision) (Previous Year - ₹ 56.66 Crore) , the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore (Previous Year - ₹ 115.62 Crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) 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 at that 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 also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore (Previous year - ₹ 82.37 Crore) was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand is unlikely to sustain under law.

f) The Company was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the ""deemed renewal"" provision of captive mining leases to the first renewal period. The Company received demand from District Mining Officer for ₹ 881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the Company to commence mining operations after depositing ₹ 48 Crore, being assessed value of materials dispatched between April 2014 to Sep 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.

The Company's assessment coupled with legal advice is that the case shall not stand the test of judicial scrutiny basis the automatic renewal.

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 41. Related Party Disclosure

(A)	Names of the Related parties where control exists:	Nature of Relationship
1	LafargeHolcim Ltd, Switzerland	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	Bulk Cement Corporation (India) Limited	Subsidiary Company
5	ACC Mineral Resources Limited	Subsidiary Company
6	Lucky Minmat Limited	Subsidiary Company
7	National Limestone Company Private Limited	Subsidiary Company
8	Singhania Minerals Private Limited	Subsidiary Company
9	OneIndia BSC Private Limited	Joint venture Company
10	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	**Others - With whom transactions have been taken place during the current and/or previous year:**	
(a)	**Names of other Related parties**	**Nature of Relationship**
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Technology (Singapore) Pte Ltd, Singapore	Fellow Subsidiary
4	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (upto January 31,2019)
5	Holcim Services (South Asia) Limited	Fellow Subsidiary
6	Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
7	Holcim Philippines, Inc, Philippines	Fellow Subsidiary
8	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
9	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
10	LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
11	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
12	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
13	Dirk India Private Limited	Fellow Subsidiary
14	Lafarge SA, France	Fellow Subsidiary
15	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
17	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)
	In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).	
(b)	**Name of the Related Parties:**	**Nature of Relationship**
1	Mr. Neeraj Akhoury	Managing Director & CEO
2	Mr. Sunil K. Nayak	Chief Financial Officer (upto July 31, 2019)
3	Ms. Rajani Kesari	Chief Financial Officer (w.e.f. August 01, 2019)
4	Mr. Ramaswami Kalidas	Company Secretary (upto September 26, 2019)
5	Mr. Rajiv Choubey	Company Secretary (w.e.f. September 26, 2019)
6	Mr. N S Sekhsaria	Chairman, Non Executive / Non Independent Director
7	Mr. Jan Jenisch	Deputy Chairman, Non Executive / Non Independent Director
8	Mr. Martin Kriegner	Non Executive / Non Independent Director
9	Mr. Shailesh Haribhakti	Independent Director
10	Mr. Sushil Kumar Roongta	Independent Director
11	Mr. Ashwin Dani	Independent Director (upto March 22, 2019)
12	Mr. Farrokh K Kavarana	Independent Director (upto March 22, 2019)
13	Mr. Vijay Kumar Sharma	Non Independent Director
14	Mr. Arunkumar R Gandhi	Independent Director (upto March 22, 2019)
15	Ms. Falguni Nayar	Independent Director
16	Mr. Christof Hassig	Non Independent Director
17	Mr. Damodarannair Sundaram	Independent Director (w.e.f. March 22, 2019)
18	Mr. Vinayak Chatterjee	Independent Director (w.e.f. March 22, 2019)
19	Mr. Sunil Mehta	Independent Director (w.e.f. March 22, 2019)

(₹ Crore)

(C)	Transactions with Subsidiary Companies	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Property, Plant and Equipments**	**0.06**	**0.03**
	Bulk Cement Corporation (India) Limited	0.06	0.03
2	**Purchase of Raw Material**	**3.81**	**5.28**
	Singhania Minerals Private Limited	3.81	5.28
3	**Sale of finished goods**	**0.49**	**-**
	Bulk Cement Corporation (India) Limited	0.49	-
4	**Reimbursement of Expenses Paid/Payable**	**2.22**	**2.10**
	Bulk Cement Corporation (India) Limited	2.22	2.10
5	**Reimbursement of Expenses Received/Receivable**	**1.33**	**1.70**
	Bulk Cement Corporation (India) Limited	1.16	1.57
	Singhania Minerals Private Limited	0.17	0.13
6	**Rendering of Services**	**2.52**	**2.94**
	Bulk Cement Corporation (India) Limited	2.52	2.94
7	**Receiving of Services**	**19.94**	**21.57**
	Bulk Cement Corporation (India) Limited	19.94	21.57
8	**Interest received on Inter Corporate Deposit**	**0.18**	**0.15**
	National Limestone Company Private Limited	0.11	0.08
	Singhania Minerals Private Limited	0.06	0.07
	Lucky Minmat Limited	0.01	-
9	**Interest on Current borrowings**	**-**	**1.47**
	ACC Mineral Resources Limited	-	1.47
10	**Short Term Loan Re-paid**	**-**	**60.64**
	ACC Mineral Resources Limited	-	60.64
11	**Inter Corporate Deposits Given**	**0.56**	**0.29**
	National Limestone Company Private Limited	0.53	0.24
	Lucky Minmat Limited	0.03	0.05
12	**Inter Corporate Deposits Repayment Received**	**-**	**0.01**
	Singhania Minerals Private Limited	-	0.01
13	**Conversion of outstanding interest into short term borrowings**	**-**	**1.47**
	ACC Mineral Resources Limited	-	1.47
14	**Conversion of trade receivable into Inter Corporate Deposits**	**-**	**0.60**
	Singhania Minerals Private Limited	-	0.60
15	**Conversion of outstanding interest into Inter Corporate Deposits**	**0.29**	**0.02**
	Singhania Minerals Private Limited	0.05	0.02
	National Limestone Company Private Limited	0.23	-
	Lucky Minmat Limited	0.01	-

(₹ Crore)

	Outstanding balances with Subsidiary Companies	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Guarantee outstanding as at the end of the Year ##**	**12.54**	**0.04**
	Singhania Minerals Private Limited	0.04	0.04
	ACC Mineral Resources Limited	12.50	-
2	**Inter Corporate Deposits as at the end of the Year**	**2.41**	**1.56**
	National Limestone Company Private Limited	1.63	0.87
	Singhania Minerals Private Limited	0.69	0.64
	Lucky Minmat Limited	0.09	0.05
3	**Outstanding balance of interest receivables on Inter Corporate Deposits**	**0.17**	**0.28**
	National Limestone Company Private Limited	0.11	0.23
	Singhania Minerals Private Limited	0.06	0.05
4	**Outstanding balance included in Trade receivables**	**1.95**	**0.90**
	Bulk Cement Corporation (India) Limited	1.78	0.78
	Singhania Minerals Private Limited	0.17	0.12
5	**Outstanding balance included in Trade payables**	**2.61**	**3.65**
	Bulk Cement Corporation (India) Limited	2.61	3.63
	Singhania Minerals Private Limited	-	0.02

(₹ Crore)

(D)	Transactions with Joint Venture Companies	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Finished Goods**	**100.86**	**104.12**
	Aakaash Manufacturing Company Private Limited {Refer Note 45 (ii)}	100.86	104.12
2	**Sale of Finished Goods**	**12.52**	**14.57**
	Aakaash Manufacturing Company Private Limited	12.52	14.57
3	**Receiving of Services**	**27.15**	**29.00**
	OneIndia BSC Private Limited	27.15	29.00
4	**Dividend Received**	**1.32**	**0.68**
	Aakaash Manufacturing Company Private Limited	1.32	0.68
5	**Reimbursement of Expenses Received/Receivable**	**0.02**	**0.02**
	Aakaash Manufacturing Company Private Limited	0.02	0.02
6	**Reimbursement of Expenses Paid / Payable**	**-**	**0.47**
	OneIndia BSC Pvt Limited	-	0.47
7	**Other recoveries (Net)**	**2.80**	**2.11**
	Aakaash Manufacturing Company Private Limited	2.80	2.11

(₹ Crore)

	Outstanding balances with Joint venture Companies	As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**0.96**	**1.30**
	Aakaash Manufacturing Company Private Limited	0.96	1.30
2	**Outstanding balance included in Trade payables**	**16.33**	**21.92**
	Aakaash Manufacturing Company Private Limited	14.06	19.31
	OneIndia BSC Private Limited	2.27	2.61

(₹ Crore)

(E)	Transactions with Associate Companies	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Finished Goods**	**68.46**	**71.89**
	Alcon Cement Company Private Limited {Refer Note - 45 (i)}	68.46	71.89
2	**Purchase of Raw Materials**	**11.19**	**20.76**
	Asian Concretes and Cements Private Limited	11.19	20.76
3	**Sale of Unfinished Goods**	**20.78**	**26.40**
	Alcon Cement Company Private Limited {Refer Note - 45 (i)}	20.78	26.40
4	**Dividend Received**	**0.37**	**0.41**
	Alcon Cement Company Private Limited	0.37	0.41
5	**Receiving of Services**	**107.60**	**117.92**
	Asian Concretes and Cements Private Limited	107.60	117.92
6	**Reimbursement of Expenses Received/Receivable**	**13.47**	**14.71**
	Alcon Cement Company Private Limited	13.47	14.71
7	**Reimbursement of Expenses Paid/Payable**	**2.22**	**3.16**
	Alcon Cement Company Private Limited	1.67	2.62
	Asian Concretes and Cements Private Limited	0.55	0.54

(₹ Crore)

	Outstanding balances with Associate Companies	As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**6.81**	**8.99**
	Alcon Cement Company Private Limited	6.81	8.99
2	**Outstanding balance included in Trade payables**	**17.80**	**22.96**
	Asian Concretes and Cements Private Limited	14.69	19.27
	Alcon Cement Company Private Limited	3.11	3.69

Notes to the Financial Statements

for the year ended December 31, 2019

(₹ Crore)

(F)	Details of Transactions relating to Ultimate Holding and Holding Companies	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Dividend paid**	**143.36**	**153.60**
	Ambuja Cements Limited	131.58	140.98
	Holderind Investments Limited	11.78	12.62
2	**Purchase of Raw materials**	**0.80**	**0.24**
	Ambuja Cements Limited	0.80	0.24
3	**Purchase of Finished /Unfinished goods**	**112.87**	**35.17**
	Ambuja Cements Limited	112.87	35.17
4	**Purchase of Stores & Spares**	**0.44**	**0.10**
	Ambuja Cements Limited	0.44	0.10
5	**Sale of Fixed Assets**	**-**	**19.23**
	Ambuja Cements Limited	-	19.23
6	**Sale of Finished /Unfinished Goods**	**101.39**	**23.59**
	Ambuja Cements Limited	101.39	23.59
7	**Sale of Raw Material**	**1.44**	**8.34**
	Ambuja Cements Limited	1.44	8.34
8	**Sale of Stores & Spares**	**1.17**	**-**
	Ambuja Cements Limited	1.17	-
9	**Sale of Scrap**	**0.11**	**-**
	Ambuja Cements Limited	0.11	-
10	**Rendering of Services**	**42.46**	**47.66**
	Ambuja Cements Limited	42.46	47.66
11	**Receiving of Services**	**32.71**	**47.47**
	Ambuja Cements Limited	32.71	47.47
12	**Reimbursement of Expenses Received / Receivable**	**0.04**	**0.04**
	Ambuja Cements Limited	0.01	0.04
	LafargeHolcim Ltd	0.03	
13	**Reimbursement of Expenses Paid / Payable**	**9.74**	-
	Ambuja Cements Limited	9.74	-

(₹ Crore)

	Outstanding balances with Ultimate Holding and Holding Companies	As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**29.05**	**15.61**
	Ambuja Cements Limited	29.02	15.61
	LafargeHolcim Ltd	0.03	-
2	**Outstanding balance included in Other current assets - advances**	**0.04**	**0.04**
	Ambuja Cements Limited	0.04	0.04
3	**Outstanding balance included in Trade payables**	**43.72**	**18.25**
	Ambuja Cements Limited	43.72	18.25

(₹ Crore)

(G)	Details of Transactions relating to Fellow Subsidiary Companies / Joint Venture of Holding Company	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Raw materials**	**238.94**	**288.37**
	LafargeHolcim Energy Solutions SAS	237.84	285.04
	Counto Microfine Products Private Limited	1.10	3.28
	Dirk India Private Limited	-	0.05
2	**Sale of Finished /Unfinished Goods**	**0.11**	**0.16**
	Counto Microfine Products Private Limited	0.11	0.16
3	**Technology and Know-how fees**	**152.33**	**144.46**
	Holcim Technology Ltd	152.33	144.46
4	**Receiving of Services**	**64.76**	**75.05**
	Holcim Services (South Asia) Limited	59.53	74.66
	Holcim Group Services Ltd	0.33	0.39
	Lafarge SA	2.79	-
	Holcim Technology Ltd	2.11	-
5	**Rendering of Services**	**11.05**	**11.01**
	Holcim Services (South Asia) Limited	9.33	4.75
	Lafarge SA	1.72	2.62
	Holcim Group Services Ltd	-	2.19
	Holcim Technology Ltd	-	1.45
6	**Reimbursement of Expenses Received / Receivable**	**2.69**	**0.77**
	LafargeHolcim Energy Solutions SAS	0.76	0.17
	LafargeHolcim Trading Pte Ltd	1.92	0.13
	LafargeHolcim Bangladesh Ltd	0.01	0.01
	Holcim Technology Ltd	-	0.45
	Counto Microfine Product Private Limited	-	0.01

Notes to the Financial Statements
for the year ended December 31, 2019

(₹ Crore)

	Outstanding balances with Fellow Subsidiary Companies / Joint Venture of Holding Company	As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**11.89**	**11.82**
	Holcim Services (South Asia) Limited	5.93	4.75
	Lafarge SA	2.22	3.07
	Holcim Group Services Ltd	-	2.19
	Holcim Technology Ltd	3.37	1.45
	PT Holcim Indonesia Tbk	0.15	0.15
	LafargeHolcim Trading Pte Limited	0.13	0.13
	Counto Microfine Product Pvt Ltd	0.06	0.03
	Holcim Philippines, Inc	-	0.02
	Holcim Cement (Bangladesh) Ltd	0.01	0.01
	Holcim Technology (Singapore) Pte Ltd	-	0.01
	LafargeHolcim Bangladesh Ltd	0.02	0.01
2	**Outstanding balance included in Trade payables**	**49.84**	**159.80**
	LafargeHolcim Energy Solutions SAS	5.14	124.50
	Holcim Technology Ltd	34.54	33.70
	Counto Microfine Products Private Limited	0.20	0.63
	Holcim Services (South Asia) Limited	9.92	0.62
	Holcim Group Services Ltd	0.04	0.35

(₹ Crore)

(H)	Details of Transactions with Key Management Personnel	For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Remuneration***	**13.56**	**11.52**
	Mr. Neeraj Akhoury	8.90	7.13
	Mr. Sunil K. Nayak	1.95	3.36
	Mr. Ramaswami Kalidas	0.84	1.03
	Ms. Rajani Kesari	1.49	-
	Mr. Rajiv Choubey	0.38	-
	Breakup of Remuneration	**13.56**	**11.52**
	Short term employee benefits	12.53	11.05
	Post employment benefits (including defined contribution and defined benefits)*	0.86	0.47
	Other long term benefits*	-	-
	Employee share based payments (Refer Note - 52)	0.17	-

(₹ Crore)

2	Other Payment to Key Management Personnel	For the year ended December 31, 2019	For the year ended December 31, 2018
	Commission Payable	**3.19**	**3.19**
	Mr. N S Sekhsaria	0.50	0.50
	Mr. Arunkumar Gandhi	0.10	0.45
	Mr. Martin Kriegner#	-	-
	Mr. Shailesh Haribhakti	0.36	0.36
	Mr. Sushil Kumar Roongta	0.36	0.36
	Mr. Ashwin Dani	0.08	0.36
	Mr. Farrokh Kavarana	0.08	0.36
	Mr. Vijay Kumar Sharma	0.20	0.20
	Mr. Jan Jenisch	0.20	0.20

Notes to the Financial Statements

for the year ended December 31, 2019

(₹ Crore)

2 Other Payment to Key Management Personnel	For the year ended December 31, 2019	For the year ended December 31, 2018
Ms. Falguni Nayar	0.20	0.20
Mr. Christof Hassig	0.20	0.20
Mr. Sunil Mehta	0.28	-
Mr. Damodarannair Sundaram	0.35	-
Mr. Vinayak Chatterjee	0.28	-
Sitting Fees	**0.47**	**0.53**
Mr. N S Sekhsaria	0.04	0.04
Mr. Arunkumar Gandhi	0.01	0.08
Mr. Martin Kriegner#	-	0.04
Mr. Shailesh Haribhakti	0.07	0.07
Mr. Sushil Kumar Roongta	0.09	0.09
Mr. Ashwin Dani	0.01	0.06
Mr. Farrokh Kavarana	0.02	0.07
Mr. Vijay Kumar Sharma	0.03	0.01
Mr. Jan Jenisch	0.01	0.01
Ms. Falguni Nayar	0.03	0.03
Mr. Christof Hassig	0.02	0.03
Mr. Sunil Mehta	0.04	-
Mr. Damodarannair Sundaram	0.05	-
Mr. Vinayak Chatterjee	0.05	-

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

#Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on October 17, 2018.

The Company makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 25.64 Crore (Previous Year - ₹ 22.71 Crore).

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Company contributed ₹ 0.80 Crore (Previous Year - ₹ 21.00 Crore).

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2019, the Company has not recorded any loss allowances for trade receivables from related parties (Previous year - Nil).

Loans to subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. Outstanding balances at the year-end are unsecured and carry an interest rate of 9% (Previous year - 9%) and repayable on demand.

##Guarantees given on behalf of subsidiaries:

Guarantee given on behalf of Singhania Minerals Private Limited, wholly owned subsidiary company is for the purpose of approval of mining plan.

Guarantee given on behalf of ACC Mineral Resources Limited, wholly owned subsidiary company is for the purpose of Coal block.

Notes to the Financial Statements

for the year ended December 31, 2019

NOTE 42. Segment Reporting

Refer Note 1 (XXII) for accounting policy on Segment Reporting

For management purposes, the Company is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments, as follows:

(a) **Cement -** Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc, in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

(b) **Ready Mix Concrete -** Ready Mix Concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

(₹ Crore)

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2018
REVENUE						
External sales	13,870.08	13,171.09	1,473.03	1,306.38	15,343.11	14,477.47
Inter-segment sales	190.23	216.00	1.58	2.76	191.81	218.76
Other operating revenue	305.60	317.81	7.94	6.07	313.54	323.88
	14,365.91	**13,704.90**	**1,482.55**	**1,315.21**	**15,848.46**	**15,020.11**
Less: Elimination	190.23	216.00	1.58	2.76	191.81	218.76
Total revenue	**14,175.68**	**13,488.90**	**1,480.97**	**1,312.45**	**15,656.65**	**14,801.35**
OPERATING EBITDA	**2,256.30**	**1,910.80**	**153.15**	**133.83**	**2,409.45**	**2,044.63**
Segment result	**1,701.25**	**1,328.46**	**133.21**	**116.71**	**1,834.46**	**1,445.17**
Unallocated corporate income net of unallocated expenditure					16.47	35.10
Operating Profit					**1,850.93**	1,480.27
Finance costs					(86.22)	(89.20)
Interest and Dividend income					266.76	103.22
Tax expenses (Refer Note - 21)					(672.56)	12.34
Profit after tax					**1,358.91**	**1,506.63**

Notes to the Financial Statements
for the year ended December 31, 2019

(₹ Crore)

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2019	Year ended December 31, 2018	**Year ended December 31, 2019**	Year ended December 31, 2018	**Year ended December 31, 2019**	Year ended December 31, 2018
Capital expenditure (including capital work-in-progress and capital advances)	493.49	475.92	27.44	47.45	520.93	523.37
Depreciation and Amortisation	584.04	583.11	18.93	16.53	602.97	599.64
Other non-cash expenses	11.10	11.64	18.37	3.57	29.47	15.21
Segment assets	10,925.45	11,631.96	470.27	454.07	11,395.72	12,086.03
Unallocated Corporate assets					5,686.38	3,939.02
Total assets					**17,082.10**	**16,025.05**
Segment liabilities	3,792.39	4,066.64	355.15	315.23	4,147.54	4,381.87
Unallocated corporate liabilities					1,413.28	1,115.52
Total liabilities					**5,560.82**	**5,497.39**

(₹ Crore)

Sales from external customer	**For the year ended December 31, 2019**	**For the year ended December 31, 2018**
Within India	15,341.39	14,472.37
Outside India *	1.72	5.10
TOTAL	**15,343.11**	**14,477.47**

No single customer contributed 10% or more to the Company's revenue for the year ended December 31, 2019 and December 31, 2018.

* Sales outside India are in functional currency.

All the non current assets are located within India.

Cash flows arising from the reportable segments

(₹ Crore)

	Cement		Ready Mix Concrete		Unallocated		Total	
	As at December 31, 2019	As at December 31, 2018	**As at December 31, 2019**	As at December 31, 2018	**As at December 31, 2019**	As at December 31, 2018	**As at December 31, 2019**	As at December 31, 2018
Net Cash flow from operating activities	2,677.55	1,586.89	17.00	57.72	(446.20)	(526.53)	2,248.35	1,118.08
Net cash used in investing activities	(465.77)	(447.74)	(27.68)	(47.34)	165.13	127.30	(328.32)	(367.78)
Net cash used in financing activities	-	-	-	-	(374.16)	(441.11)	(374.16)	(441.11)

NOTE 43. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006*

(₹ Crore)

		As at December 31, 2019	As at December 31, 2018
a.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	Principal amount due to micro and small enterprises (Not overdue)	11.27	8.02
	Interest due on above	-	-
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 44.

In assessing the carrying amounts of Investments (net of impairment loss) in companies which are currently not in operation, the Company considered various factors as detailed below and concluded that no further impairment is necessary.

(i) The Company has invested ₹ 38.10 Crore (Previous year - ₹ 38.10 Crore) in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. LML is engaged in the extraction of limestone. The Company has determined the value in use of investment based on discounted future cash flow approach. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

(ii) The Company has invested ₹ 14.02 Crore (Previous year - ₹ 14.02 Crore) in equity shares of National Limestone Company Private Limited (NLCPL) a wholly owned subsidiary company. NLCPL is engaged in the extraction of limestone. The Company has determined the value in use of investment based on discounted future cash flow approach. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

As at December 31, 2019, the cash flows are estimated over the life of respective mines.

Following are the key assumptions considered for value in use calculation:

(a) Production of mines is estimated as per the production schedule in the mining plans submitted to the regulatory authorities.

(b) Limestone is a commodity for which there is no market existing. Average selling price of the limestone considered based on the information available from the Indian Bureau of Mines ("IBM"). Expected increase in selling price is considered at 3% every year.

(c) The cost of production is given an inflation effect of 4% every year for first five years and 3% every year thereafter and royalty rate is increased by 10% in every five year.

(d) Weighted average cost of capital (WACC) estimated as 14.80%.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Based on the Company's assessment there is no impairment of investments.

(iii) The Company has investment in ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of ₹ 106.80 Crore. AMRL, through its joint operations had secured development for four coal blocks allocated to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment of Supreme Court dated August 25, 2014 read with its order dated September 24, 2014.

The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated March 23, 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to March 31, 2014. The Hon'ble Delhi High Court issued its judgment on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim has been filed with Ministry of Coal for reimbursement of expenses incurred up to the date of vesting order. The auction of remaining three coal blocks has not yet taken place.

The Company had assessed the recoverability of amount incurred on development of these coal blocks and accordingly investment of ₹ 42.81 Crore was impaired in the previous years.

Based on above the Company has concluded that no further impairment is necessary. (Refer Note - 36 of the consolidated financial statements for Group information).

NOTE 45.

(i) The Company has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹ 16.24 Crore (Previous year - ₹ 20.63 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease. (Refer Note - 37)

(ii) The Company has arrangement with a Joint venture company whereby it purchases Ready Mix Concrete and sells that to external customers. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Company's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready Mix Concrete to customer of ₹ 85.34 Crore (Previous year - ₹ 87.91 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTE 46. Disclosure pursuant to SEBI (Listing obligations and disclosure requirements) regulations, 2015 and Section 186 (4) of the Companies Act 2013:

(₹ Crore)

Nature of the transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/ guarantee / security is proposed to be utilised by the recipient	As at December 31, 2019 *	Maximum Balance during the Year *	As at December 31, 2018 *	Maximum Balance during the Previous Year *
(a) Loans and Advances to wholly owned Subsidiaries –					
National Limestone Company Private Limited	Working Capital	1.63	1.63	0.87	0.87
Singhania Minerals Private Limited	Working Capital	0.69	0.69	0.64	0.64
Lucky Minmat Limited	Working Capital	0.09	0.09	0.05	0.05

* Balance does not include outstanding interest

(b) Details of Investments made are given in Note 4.

(c) Guarantee given on behalf of Singhania Minerals Private Limited, wholly owned subsidiary company, of ₹ 0.04 Crore (Previous Year - ₹ 0.04 Crore) is for the purpose of approval of mining plan.

(d) Guarantee given on behalf of ACC Mineral Resources Limited , wholly owned subsidiary company, of ₹ 12.50 Crore (Previous Year - ₹ Nil) is for the purpose of Coal block.

(e) The loanees have not made any investments in the shares of the Company

(f) The above loans are repayable on demand and carries rate of interest at 9% p.a. (Previous year - 9% p.a.)

NOTE 47. Capitalisation of expenditure

During the year, the Company has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

(₹ Crore)

	2019	2018
Balance at the beginning of the year	4.99	2.80
Expenditure during construction for projects:		
Employee benefits expense*	11.68	1.26
Rates and taxes**	1.86	-
Miscellaneous expenses**	16.96	3.15
Total	**35.49**	**7.21**
Less : Capitalised during the year	1.00	2.22
Balance at the end of the year	**34.49**	**4.99**

* Employee benefit expenses represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.** Miscellaneous expense and rates and taxes are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTE 48. Financial Instruments

(A) Categories of financial instruments

(₹ Crore)

Particulars		Note No.	Carrying value As at December 31, 2019	Carrying value As at December 31, 2018
Financial assets				
1.	**Measured at Fair value through profit or loss (FVTPL)**			
(a)	Mandatorily measured:			
	Equity investments		-	-
	Cash and cash equivalents - Mutual funds	12	725.47	690.91
(b)	Designated as at FVTPL		-	-
2.	**Measured at amortised cost**			
	Cash and cash equivalents (Certificates of deposits and other deposits)	12	1,492.98	936.10
	Other Cash and cash equivalents (Balances with banks)	12	2,164.73	1,209.83
	Bank balances other than Cash and Cash Equivalents	13	154.92	163.49
	Investments in Bonds	5	3.70	3.70
	Security deposits (Current and Non-Current)	6 & 14	150.16	222.06
	Loans and Other financial assets (Current and Non-Current)	6, 7, 14 & 15	755.93	574.39
	Trade receivables	11	628.43	868.26
3.	**Measured at fair value through Other Comprehensive Income**		-	-
TOTAL			**6,076.32**	**4,668.74**

(₹ Crore)

Particulars		Note No.	As at December 31, 2019	As at December 31, 2018
Financial liabilities				
1.	**Measured at FVTPL**			
	Foreign currency forward contract	22	-	1.19
2.	**Measured at amortised cost**			
	Trade payables		1,470.97	1,922.73
	Security deposits and retention money	22	710.54	553.40
	Other financial liabilities	22	223.42	219.12
TOTAL			**2,404.93**	**2,696.44**

The management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

(₹ Crore)

Particulars	For the Year ended December 31, 2019	For the Year ended December 31, 2018
Financial assets measured at amortised cost		
Interest income	(165.59)	(102.13)
Impairment losses on trade receivable (including reversals of impairment losses)	21.51	5.39
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(19.53)	(33.43)
Net gain on fair valuation of current financial assets	(0.47)	(0.91)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	4.46	3.23
Interest expenses on deposits from dealers	33.45	28.89
Interest expenses on borrowings from related party	-	1.47
Derivatives - Foreign exchange forward contracts		
Net loss / (gain) on foreign currency forward contract	(0.94)	2.12
Net gain recognised in Statement of Profit and Loss	**(127.11)**	**(95.37)**

(C) Fair Value Hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	725.47	-	-	725.47
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-
As at December 31, 2018				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	690.91	-	-	690.91
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	1.19	-	1.19

During the reporting period ending December 31, 2019 and December 31, 2018, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Quoted bid prices in an active market - Unadjusted Quoted price in principle market in which equity instrument is actively traded.

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Other financial assets and liabilities

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 49. Financial risk management objectives and policies

Financial Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks arising from financial instruments.

The Company is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Company's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Company's financial performance.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. Check on counterparties basis credit rating 4. Number of days overdue 5. Eligibility under State Investment Promotion Schemes for incentives
Liquidity Risk	Borrowings, Trade payables, Deposits from dealers, Foreign exchange Forward contract and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk- Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Foreign exchange Forward contract
Market Risk- Commodity price risk	Movement in prices of commodities mainly Imported Coal and Pet Coke	Sensitivity analysis	1. Fuel mix optimisation 2. Longer term contracts
Market Risk- Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

Financial assets other than trade receivables

Credit risk from balances with banks and financial institutions is managed by the Company's Treasury department in accordance with it's policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Company's Board of Directors.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Company's net sales. Therefore, the Company does not expect any material risk on account of non-performance by any of its counterparties.

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ Crore)

	As at December 31, 2019	As at December 31, 2018
Neither past due nor impaired	221.25	319.69
Past due not impaired		
- 1-180 days	375.02	499.49
- more than 180 days	32.16	49.08
Past due impaired		
- 1-180 days	1.96	0.25
- more than 180 days	39.17	24.40
TOTAL	**669.56**	**892.91**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Company compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The following table summarizes the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	(₹ Crore)
As at January 01, 2018	29.03
Provided during the year	7.54
Amounts utilised	(9.77)
Reversals of Provision	(2.15)
As at December 31, 2018	**24.65**
Provided during the year	22.75
Amounts utilised	(5.03)
Reversals of Provision	(1.24)
As at December 31, 2019	**41.13**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Company assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company has large investments in short term liquid funds which can be redeemed at a very short notice and hence carry negligible liquidity risk.

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2019				
Other financial liabilities*	933.96	967.70	-	967.70
Foreign exchange Forward contract	-	-	-	-
Trade payables	1,470.97	1,470.97	-	1,470.97
	2,404.93	**2,438.67**	**-**	**2,438.67**

	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2018				
Other financial liabilities*	772.52	804.26	-	804.26
Foreign exchange Forward contract	1.19	1.19		1.19
Trade payables	1,922.73	1,922.73	-	1,922.73
	2,696.44	**2,728.18**	**-**	**2,728.18**

*Other financial liabilities includes deposits received from customers amounting to ₹ 641.59 Crore (Previous year ₹ 499.77 Crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risks, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans, investments, deposits and trade payables.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

(₹ Crore)

As at December 31, 2019	USD	EUR	CHF	GBP	SEK	JPY
Trade Payable	4.06	2.13	0.03	0.01	0.81	0.02
Foreign exchange derivative contracts	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**4.06**	**2.13**	**0.03**	**0.01**	**0.81**	**0.02**

As at December 31, 2018	USD	EUR	CHF	GBP
Trade Payable	130.22	2.13	0.02	0.04
Foreign exchange derivative contracts	(83.85)	-	-	-
Net exposure to foreign currency risk (liabilities)	**46.37**	**2.13**	**0.02**	**0.04**

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

Particulars	As at December 31, 2019		As at December 31, 2018	
	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	0.20	(0.20)	2.32	(2.32)
EUR	0.11	(0.11)	0.11	(0.11)
SEK	0.04	(0.04)	-	-
TOTAL	**0.35**	**(0.35)**	**2.43**	**(2.43)**

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Market Risk- Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Company. Since the Energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the central procurement team.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk arises primarily from security deposit from dealers. The Company has not used any interest rate derivatives.

The Company has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/ lower the profit for the year ended December 31, 2019 would decrease / increase by ₹ 3.18 Crore (Previous year - ₹ 2.50 Crore).

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

NOTE 50. Capital management

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Company is a Zero debt company with no long-term borrowings. The Company is not subject to any externally imposed capital requirements.

(₹ Crore)

	Note No.	As at December 31, 2019	As at December 31, 2018
Total Debt		-	-
Less: Cash and cash equivalents	12	(4,383.18)	(2,836.84)
Net debt		**(4,383.18)**	**(2,836.84)**
Equity	18 & 19	11,521.28	10,527.66
Debt to Equity (Net)		NA	NA

NOTE 51. Dividend distribution and proposed dividend

(₹ Crore)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2018 ₹ 14 per share (Previous year - ₹ 15 per share for 2017)	262.90	281.68
Dividend distribution tax on final dividend	54.04	57.90
	316.94	**339.58**
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2019 ₹ 14 per share : (Previous year - ₹ 14 per share)	262.90	262.90
Dividend distribution tax on proposed dividend*	-	54.04
	262.90	**316.94**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend distribution tax thereon) as at December 31.

*Dividend Distribution Tax is abolished with effect from April 01, 2020

Notes to the Financial Statements
for the year ended December 31, 2019

NOTE 52. Employee share based payments

Description of plan - LafargeHolcim Performance Share Plan

LafargeHolcim Ltd (Ultimate Holding Company) set up a performance share plan. Performance shares are granted to executives and senior management for their contribution to the continuing success of the business. These shares will be delivered after three year vesting period following the grant date and are subject to internal performance conditions.

9,000 performance shares at a fair value of ₹ 3,405 per share were granted in 2019. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC). During the year, ₹ 0.63 Crore is charged to the Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent.

Fair value of shares granted is determined based on the estimated achievement of LafargeHolcim Earnings per Share and Return on Invested Capital.

NOTE 53. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA Chairman DIN: 00276351	**DAMODARANNAIR SUNDARAM** Director DIN: 00016304	**MARTIN KRIEGNER** Director DIN:00077715
NEERAJ AKHOURY Managing Director & CEO DIN:07419090	**SUSHIL KUMAR ROONGTA** Director DIN:00309302	**FALGUNI NAYAR** Director DIN: 00003633
RAJANI KESARI Chief Financial Officer	**SHAILESH HARIBHAKTI** Director DIN: 00007347	**SUNIL MEHTA** Director DIN: 00065343
RAJIV CHOUBEY Company Secretary ACS:13063 Mumbai, February 07, 2020	**VINAYAK CHATTERJEE** Director DIN: 00008933	

FORM AOC-1

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part "A": Subsidiaries

(₹ Crore)

Sl. No.	Particulars					
1	Name of the Subsidiary	ACC Mineral Resources Limited	BulK Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	Singhania Minerals Private Limited
2	Reporting period for the subsidiary	January 01, 2019 to December 31, 2019	January 01, 2019 to December 31, 2019	January 01, 2019 to December 31, 2019	January 01, 2019 to December 31, 2019	January 01, 2019 to December 31, 2019
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.
4	Share capital	121.95	33.64	3.25	2.00	0.52
		121.95	*33.64*	*3.25*	*2.00*	*0.52*
5	Reserves and surplus	(40.29)	24.10	(5.24)	(1.94)	(0.87)
		(47.23)	*21.68*	*(4.76)*	*(1.55)*	*(0.92)*
6	Total assets	85.57	69.27	0.66	2.03	1.86
		78.75	*65.23*	*0.64*	*1.70*	*1.40*
7	Total Liabilities	3.91	11.53	2.65	1.97	2.21
		4.03	*9.91*	*2.15*	*1.25*	*1.80*
8	Turnover	-	18.78	-	-	3.63
		-	*18.76*	-	-	*5.00*
9	Profit / (Loss) before tax	6.36	3.18	(0.48)	(0.39)	0.05
		3.87	*3.39*	*(0.49)*	*(0.23)*	*0.04*
10	Tax expenses	(0.58)	0.76	-	-	-
		(0.45)	*0.62*	-	-	-
11	Profit / (Loss) after tax	6.94	2.42	(0.48)	(0.39)	0.05
		4.32	*2.77*	*(0.49)*	*(0.23)*	*0.04*
12	Proposed Dividend	-	-	-	-	-
		-	-	-	-	-
13	% of shareholding	100%	94.65%	100%	100%	100%
		100%	*94.65%*	*100%*	*100%*	*100%*

FORM AOC-1

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates	Associates	
		Alcon Cement Company Private Limited	**Asian Concretes and Cements Private Limited**
1	Latest audited Balance Sheet Date	December 31, 2019	December 31, 2019
	Shares of Associates held by the company on the year end	4,08,001	81,00,000
	Amount of Investment in Associates (₹ Crore)	22.25	36.81
2	Extend of Holding (%)	40%	45%
3	Description of how there is significant influence	Note (a)	Note (a)
4	Reason why the associates is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	5.73	80.52
		5.25	*68.98*
6	Profit / (Loss) for the year (₹ Crore)	2.29	26.65
		0.80	*15.38*
i.	Considered in Consolidation (₹ Crore)	0.92	11.99
		0.32	*6.92*
ii.	Not Considered in Consolidation (₹ Crore)	1.37	14.66
		0.48	*8.46*

Sl. No.	Name of Joint Ventures	Joint Ventures	
		OneIndia BSC Private Limited	**Aakaash Manufacturing Company Private Limited**
1	Latest audited Balance Sheet Date	December 31, 2019	December 31, 2019
	Shares of Joint Venture held by the company on the year end	25,01,000	4,401
	Amount of Investment in Joint Venture (₹ Crore)	2.50	6.01
2	Extend of Holding (%)	50%	40%
3	Description of how there is significant influence	N.A.	N.A.
4	Reason why the joint venture is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	7.19	7.44
		6.04	*9.32*
6	Profit / (Loss) for the year (₹ Crore)	2.30	(0.72)
		3.16	*3.79*
i.	Considered in Consolidation (₹ Crore)	1.15	(0.29)
		1.58	*1.51*
ii.	Not Considered in Consolidation (₹ Crore)	1.15	(0.43)
		1.58	*2.28*

Note: (a) There is significant influence due to percentage (%) of equity Share capital

(b) Figures in italics pertain to previous year

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
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Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063
Mumbai, February 07, 2020

VINAYAK CHATTERJEE
Director
DIN: 00008933

Independent Auditor's Report

To The Members of ACC Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ACC Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and includes the Group's Share of Profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at December 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which includes four joint operations of a subsidiary (consolidated on a proportionate basis with the subsidiary).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries (which include four joint operations), associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at December 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Notes 41(A)(a) and 41(A)(b) of the consolidated financial statements, which describes the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,147.59 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI's Order. The Company's appeal against the said judgment of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the Tribunal would continue.

b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹ 35.32 crores on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor’s Responses
1.	**Litigation, Claims and Contingent Liabilities:** (Refer Notes 23 and 41(A), to be read along with Emphasis of Matter in Independent Auditor’s Report of the consolidated financial statements) The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group’s controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as ‘probable’, ‘possible’ and ‘remote’; • Examined the Group’s legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the management from external law firms to challenge the basis used for provisions recognised or the disclosures made in the consolidated financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management’s conclusions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group’s disclosures made in relation to contingent liabilities.

Independent Auditor's Report

Sr. No.	Key Audit Matters	Auditor's Responses
2.	**Income tax provision :** (Refer Notes 21 and 41(A) of the consolidated financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgment required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes / litigations. • Provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2019 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the management's underlying key assumptions in estimating the tax provisions. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint venture, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- •btain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group, its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of four subsidiaries (which includes four joint operations), whose financial statements reflect total assets of ₹ 90.13 crores as at December 31, 2019, total revenues of ₹ 18.51 crores and net cash inflows amounting to ₹ 12.12 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group’s share of net profit of ₹ 12.73 crores for the year ended December 31, 2019, as considered in the consolidated financial statements, in respect of two associates and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (which includes four joint operations), associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (which includes four joint operations), associates and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries (which includes four joint operations), associates and joint venture companies incorporated in India, referred to in the Other Matter paragraph above we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on December 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Group, associates and joint venture companies incorporated in India.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures (Refer Note 41 in the consolidated financial statements);

ii) The Group, its associates and joint ventures did not have any material foreseeable losses 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 Group, its associate companies and joint venture companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN: 20040081AAAAAF5714

Place : Mumbai
Date : February 07, 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2019, we have audited the internal financial controls over financial reporting of ACC Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or

Annexure "A" to the Independent Auditor's Report

disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, two associate companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN: 20040081AAAAAF5714

Place: Mumbai
Date: February 07, 2020

Consolidated Balance Sheet

as at December 31, 2019

₹ Crore

Particulars				Note No.	As at December 31, 2019	As at December 31, 2018
A.	**ASSETS**					
1)	**Non-current assets**					
	a)	Property, Plant and Equipment		2	6,976.89	7,035.18
	b)	Capital work-in-progress			445.67	397.78
	c)	Goodwill on consolidation		54	15.57	15.57
	d)	Other Intangible assets		3	34.27	37.42
	e)	Investments in associates and joint ventures		4	112.48	100.40
	f)	Financial Assets				
		(i)	Investments	5	3.70	3.70
		(ii)	Loans	6	143.76	169.14
		(iii)	Other financial assets	7	468.23	325.33
	g)	Non-current Tax Assets (Net)		8	859.76	674.97
	h)	Other non-current assets		9	541.08	612.02
	Total Non-current assets				**9,601.41**	**9,371.51**
2)	**Current assets**					
	a)	Inventories		10	1,141.93	1,679.39
	b)	Financial assets				
		(i)	Trade receivables	11	626.65	867.37
		(ii)	Cash and Cash Equivalents	12	4,492.53	2,933.21
		(iii)	Bank balances other than Cash and Cash Equivalents	13	155.20	163.77
		(iv)	Loans	14	29.02	77.30
		(v)	Other financial assets	15	270.38	231.68
	c)	Other current assets		16	808.39	720.17
					7,524.10	**6,672.89**
	d)	Non-current assets classified as held for sale		17	10.47	11.55
	Total Current assets				**7,534.57**	**6,684.44**
	TOTAL - ASSETS				**17,135.98**	**16,055.95**
B.	**EQUITY AND LIABILITIES**					
	Equity					
	a)	Equity Share Capital		18	187.99	187.99
	b)	Other Equity		19	11,355.78	10,343.91
	Equity attributable to owners of the parent				**11,543.77**	**10,531.90**
	Non-controlling interest				3.16	3.03
	Total Equity				**11,546.93**	**10,534.93**
	Liabilities					
	Non-current liabilities					
	a)	Provisions		20	235.10	140.29
	b)	Deferred tax liabilities (Net)		21	655.72	674.57
	Total - Non-current liabilities				**890.82**	**814.86**
	Current liabilities					
	a)	Financial Liabilities				
		(i)	Trade payables			
			Total outstanding dues of micro and small enterprises	45	11.27	8.02
			Total outstanding dues of creditors other than micro and small enterprises		1,463.71	1,918.24
		(ii)	Other financial liabilities	22	937.50	775.54
	b)	Other current liabilities		23	1,919.39	1,794.63
	c)	Provisions		24	23.39	27.30
	d)	Current tax liabilities (Net)			342.97	182.43
	Total - Current liabilities				**4,698.23**	**4,706.16**
	Total - Liabilities				**5,589.05**	**5,521.02**
	TOTAL - EQUITY AND LIABILITIES				**17,135.98**	**16,055.95**
Significant accounting policies				1		

See accompanying notes to the financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/ W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
Director
DIN: 00003633

RAJANI KESARI
Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Consolidated Statement of Profit and Loss

for the year ended December 31, 2019

₹ Crore

	Particulars	Note No.	For the year ended December 31, 2019	For the year ended December 31, 2018
	INCOME			
1	Revenue from operations	25	15,657.55	14,801.62
2	Other Income	26	318.43	142.66
3	**TOTAL INCOME (1+2)**		**15,975.98**	**14,944.28**
4	**EXPENSES**			
	a) Cost of materials consumed	27	2,256.39	2,368.17
	b) Purchases of Stock-in-Trade	28	361.69	89.26
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	100.81	(124.98)
	d) Employee benefits expense	30	866.11	883.58
	e) Power and Fuel		3,134.01	3,000.83
	f) Freight and Forwarding expense	31	4,032.09	3,992.82
	g) Finance costs	32	86.27	87.77
	h) Depreciation and amortisation expense	33	606.44	603.22
	i) Other expenses	34	2,495.99	2,546.53
			13,939.80	**13,447.20**
	Captive consumption of cement		(2.32)	(2.71)
	TOTAL EXPENSES		**13,937.48**	**13,444.49**
5	**Profit before share of profit of associates and joint ventures and tax (3-4)**		2,038.50	1,499.79
6	Share of profit in associates and joint ventures		14.02	10.32
7	**Profit before tax (5+6)**		**2,052.52**	**1,510.11**
8	**Tax expense** (Refer Note - 21)			
	a) Current tax		690.20	457.57
	b) Tax adjustments for earlier years		-	(500.63)
	c) Deferred tax (credit) / charge		(15.22)	32.55
			674.98	**(10.51)**
9	**Profit for the year (7-8)**		**1,377.54**	**1,520.62**
10	**Other Comprehensive Income (OCI)**			
	(i) Items that will not be reclassified to profit and loss:			
	(a) Re-measurement gain / (loss) on defined benefit plans	38	(75.28)	(7.45)
	(b) Share of Re-measurement gain / (loss) on defined benefit plans of associates and joint ventures (net of tax)		(0.25)	0.01
	(ii) Income tax relating to items that will not be reclassified to profit and loss	21	26.30	2.60
	Other Comprehensive Income for the year, net of tax		**(49.23)**	**(4.84)**
11	**Total Comprehensive Income for the year (9+10)**		**1,328.31**	**1,515.78**
12	**Attributable to:**			
	Owners of the Company		1,377.41	1,520.47
	Non-controlling interests		0.13	0.15
	Profit for the year		**1,377.54**	**1,520.62**
13	**Other comprehensive income Attributable to:**			
	Owners of the Company		(49.23)	(4.84)
	Non-controlling interests		-	-
	Other comprehensive income		**(49.23)**	**(4.84)**
14	**Total comprehensive income Attributable to:**			
	Owners of the Company		1,328.18	1,515.63
	Non-controlling interests		0.13	0.15
	Total comprehensive income		**1,328.31**	**1,515.78**
15	**Earnings per equity share of ₹ 10 each:**	35		
	(a) Basic	₹	73.35	80.97
	(b) Diluted	₹	73.17	80.77
	Significant accounting policies	1		

See accompanying notes to the financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
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Chief Financial Officer

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SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Consolidated Statement of Changes in Equity

for the year ended December 31, 2019

A. Equity Share Capital

	Note No.	₹ Crore
As at January 01, 2018	18	187.99
Issue of equity shares		-
As at December 31, 2018	18	187.99
Issue of equity shares		-
As at December 31, 2019	18	**187.99**

B. Other Equity

For the year ended December 31, 2019

₹ Crore

	Reserves and surplus (Refer Note - 19)				Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings			
As at January 01, 2019	845.03	2,796.78	-	6,702.10	10,343.91	3.03	10,346.94
Profit for the year	-	-	-	1,377.41	1,377.41	0.13	1,377.54
Other Comprehensive Income for the year, net of tax	-	-	-	(49.23)	(49.23)	-	(49.23)
Total comprehensive income for the year	**-**	**-**	**-**	**1,328.18**	**1,328.18**	**0.13**	**1,328.31**
Share base payment (Refer Note - 55)	-	-	0.63	-	0.63	-	0.63
Final dividend paid for 2018 (Refer Note - 53)	-	-		(262.90)	(262.90)	-	(262.90)
Dividend distribution tax on dividend (Refer Note - 53)	-	-		(54.04)	(54.04)	-	(54.04)
As at December 31, 2019	**845.03**	**2,796.78**	**0.63**	**7,713.34**	**11,355.78**	**3.16**	**11,358.94**

Consolidated Statement of Changes in Equity
for the year ended December 31, 2019

For the year ended December 31, 2018

₹ Crore

	Reserves and surplus (Refer Note - 19)						
	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
As at January 01, 2018	845.03	2,796.78	-	5,526.05	9,167.86	2.88	9,170.74
Profit for the year	-	-	-	1,520.47	1,520.47	0.15	1,520.62
Other Comprehensive Income for the year, net of tax	-	-	-	(4.84)	(4.84)	-	(4.84)
Total comprehensive income for the year	**-**	**-**	**-**	**1,515.63**	**1,515.63**	**0.15**	**1,515.78**
Final dividend paid for 2017 (Refer Note - 53)	-	-	-	(281.68)	(281.68)	-	(281.68)
Dividend distribution tax on dividend (Refer Note - 53)	-	-	-	(57.90)	(57.90)	-	(57.90)
As at December 31, 2018	**845.03**	**2,796.78**	**-**	**6,702.10**	**10,343.91**	**3.03**	**10,346.94**

See accompanying notes to the financial statements

In terms of our report attached

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/ W-100018

SAIRA NAINAR
Partner
Membership No. 040081

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
Director
DIN: 00003633

RAJANI KESARI
Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Mumbai, February 07, 2020

Consolidated Statement of Cash Flow

for the year ended December 31, 2019

₹ Crore

Particulars	Note No.	For the year ended December 31, 2019	For the year ended December 31, 2018
A. Cash flow from operating activities			
Profit before Tax		2,052.52	1,510.11
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	33	606.44	603.22
Profit on sale / write off of Property, Plant & Equipment (net)	26	(26.87)	(0.94)
Gain on sale of current financial assets measured at FVTPL	26	(21.64)	(35.91)
Interest income	26	(269.49)	(104.90)
Finance costs	32	86.27	87.77
Impairment losses on trade receivables (net)	34	21.51	5.39
Provision / (Reversal) for doubtful advances (net)		0.05	(0.05)
Provision / (Reversal) for slow and non moving Stores & Spares (net)	10	6.38	4.42
Provision no longer required written back	25	(9.53)	(24.69)
Net gain on fair valuation of current financial assets measured at FVTPL	26	(0.43)	(0.91)
Employee share based payments	30	0.63	-
Amortisation of operating lease rental		-	2.78
Share of profit in associates and joint ventures	37	(14.02)	(10.32)
Fair Value movement in Derivative Instruments		-	1.19
Unrealised exchange loss / (gain) (net)		0.12	(1.10)
Operating profit before working capital changes		**2,431.94**	**2,036.06**
Changes in Working Capital:			
Adjustments for Decrease / (Increase) in operating assets:			
Decrease / (Increase) in Trade receivable, loans & advances and other assets	6-7,9,11 & 14-17	33.91	(268.37)
Decrease / (Increase) in Inventories	10	531.08	(279.03)
Adjustments for Increase / (Decrease) in operating liabilities:			
(Decrease) / Increase in Trade payables, Other liabilities and Provisions	20 & 22-24	(295.08)	156.77
Cash generated from operations		**2,701.85**	**1,645.43**
Direct tax paid including interest on Income Tax - (Net of refunds)		(447.14)	(527.89)
Net Cash flow from operating activities		**2,254.71**	**1,117.54**
B. Cash flow from investing activities			
Loans to Joint Venture	6	-	(0.11)
Payment received against loan given to Joint Venture		0.12	-
Purchase of Property, Plant and Equipments (Including Capital work-in-progress and Capital Advances)			
Capex for increases in operating capacity		(108.70)	(40.62)
Capex for efficiency improvement and maintaining operating capacity		(440.26)	(479.06)
Proceeds from sale of Property, Plant & Equipment		54.05	22.57
Net proceeds from sale of mutual funds		21.64	35.91
Investment in bank and margin money deposits (having original maturity for more than 12 months)	7	(32.27)	(4.35)
Investment in bank and margin money deposits (having original maturity for more than 3 months)		(2,476.87)	(117.39)
Redemption of bank and margin money deposits (having original maturity for more than 3 months)		2,481.73	125.49
Investment in certificate of deposits		(600.00)	-
Redemption of certificate of deposits		600.00	-
Dividend received from Associate / Joint venture		1.69	1.09
Interest received		177.21	92.03
Net cash used in investing activities		**(321.66)**	**(364.44)**

Consolidated Statement of Cash Flow

for the year ended December 31, 2019

₹ Crore

Particulars	Note No.	For the year ended December 31, 2019	For the year ended December 31, 2018
C. Cash flow from financing activities			
Interest paid		(57.22)	(40.88)
Dividend paid	53	(262.90)	(281.68)
Dividend Distribution Tax paid	53	(54.04)	(57.90)
Net cash used in financing activities		**(374.16)**	**(380.46)**
Net increase in cash and cash equivalents		**1,558.89**	**372.64**
Add: Cash and cash equivalents at the beginning of the year	12	2,933.21	2,559.66
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	26	0.43	0.91
Cash and cash equivalents at the end of the year	12	**4,492.53**	**2,933.21**

See accompanying notes to the financial statements

Note:

1 Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/ W-100018

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 07, 2020

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
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NEERAJ AKHOURY
Managing Director & CEO
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SUSHIL KUMAR ROONGTA
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SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063

VINAYAK CHATTERJEE
Director
DIN: 00008933

Company Overview and Significant Accounting Policies:

Corporate Information

ACC Limited ("the Company / Parent"), is a public company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on The National Stock Exchange of India (NSE) and The Bombay Stock Exchange Ltd. (BSE) of India. The registered office of the Company is located at Cement House, 121 Maharshi Karve Road, Mumbai – 400020, India.

The consolidated financial statements comprise the financial statements of ACC Limited ("the Company") and its subsidiaries (collectively, the Group).

The Group a member of the LafargeHolcim Group, is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Group has manufacturing facilities across India and caters mainly to the domestic market.

Information on the Group's structure is provided in Note - 36. Information on related party relationship of the Group is provided in Note - 43.

1. Significant Accounting Policies

(i) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These Consolidated Financial Statements were approved for issue in accordance with the resolution of the Board of Directors on February 07, 2020.

(ii) Basis of Preparation

The Consolidated Financial Statements comprises the financial statements of ACC Limited ("the Company / Parent") and its subsidiaries (collectively, the Group) for the year ended December 31, 2019.

These Consolidated Financial Statements have been prepared on a historical cost basis, except for the following material items in the Consolidated Balance Sheet:

a) Certain financial assets and liabilities are measured at fair value (Refer Note 1(xiv) for accounting policy on Financial Instruments)

b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation; and

d) Investments in associates and joint ventures which are accounted for using the equity method.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 —inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability

(iii) Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian Rupees (₹) which is the functional currency of the Group.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

(iv) Basis of Consolidation

a) The Consolidated Financial Statements incorporate the financial statements of the Company, entities controlled by the Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

i. Power over the investee (i.e. existing rights that give it the cursrent ability to direct the relevant activities of the investee)

ii. Exposure, or rights, to variable returns from its involvement with the investee, and

iii. The ability to use its power over the investee to affect its returns

b) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

c) When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. a contractual arrangement with the other vote holders of the investee

ii. rights arising from other contractual arrangements

iii. the Group's voting rights and potential voting rights

iv. the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

v. any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

d) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

e) The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of parent company i.e. December 31, 2019.

f) 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 separate financial statements.

g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity shareholders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

h) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

i) When the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary

ii. Derecognises the carrying amount of any non-controlling interests

iii. Recognises the fair value of the consideration received

iv. Recognises the fair value of any investment retained when control is lost. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

v. Recognises any resulting difference as a gain or loss in the Consolidated Statement of Profit and Loss attributable to the parent.

vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities

j) Consolidation procedure:

i. Combines like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

ii. Offsets (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (refer policy on business combinations for accounting for any related goodwill).

iii. Eliminates in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Deferred tax effects are given for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions as per Ind AS 12 "Income Taxes".

(v) Interests in associates and Joint arrangements

a) Interests in Associate

An Associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Significant influence is generally presumed to exist when the Group holds 20% or more of the voting power of an investee. Investments in associates are accounted for using equity method of accounting (refer point c below), after initially being recognised at cost.

b) Joint Arrangement

Interests in joint arrangements are interests over which the Group exercises joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

i. Interests in Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

ii. Interests in Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for using the equity method of accounting (refer point c below), after initially being recognised at cost.

c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the accounting policy on impairment of non-financial assets.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of investment in associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, the Group reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the assets or liabilities.

(vi) Business Combinations and Goodwill

Acquisition method

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 "Employee Benefits" respectively;

b) liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date; and

c) assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Bargain purchase

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination among entities under common control

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

(vii) Non-controlling interests ("NCI")

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

(viii) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise a contingent asset (if any) but discloses in the Consolidated Financial Statements.

(ix) Classification of Current / Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within twelve months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within twelve months after the reporting date; or

d. the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or Cash Equivalents, the Group has ascertained its normal operating cycle as twelve months for the purpose of Current / Non-current classification of assets and liabilities.

(x) Property, Plant and Equipment

Recognition and measurement

a) Property, Plant and Equipment are stated at cost of acquisition / installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses if any).

Cost comprises the purchase price, including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use, including relevant borrowing costs.

The present value of the expected cost for the decommissioning of an asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

b) Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

d) Spares which meet the definition of Property, Plant and Equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the Consolidated Statement of Profit and Loss.

e) Property, Plant and Equipment not ready for the intended use on the date of Consolidated Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition / construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

f) An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss under "Other Income / Other Expenses" when the asset is derecognised.

g) The Group had elected to continue with the carrying value of all its Property, Plant and Equipment as recognised in the Consolidated Financial Statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Depreciation and Amortisation

a) Leasehold non-mining land held under finance lease is amortised over the period of lease on a straight line basis.

b) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non-mining land is not depreciated.

c) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight line method and on CPP assets using the written down value method based on their respective estimated useful lives.

The Group identifies and determines cost of each component / part of the asset and depreciates separately, if the component /

part have a cost which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

Estimated useful lives of assets are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

d) Depreciation on additions to Property, Plant and Equipment 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.

e) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided upto the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

f) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

g) The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

h) In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(xi) Intangible Assets

Recognition and Measurement

a) Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

b) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

c) The Group had elected to continue with the carrying value of all its intangible assets as recognised in the Consolidated Financial Statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 “First-time Adoption of Indian Accounting Standards”.

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

(xii) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax 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 the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

(xiii) Inventories

Inventories are valued after providing for obsolescence, as follows:

a) **Raw Materials, Stores and Spare parts, Packing Material and Fuels**

At lower of cost 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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

b) Work-in-progress, Finished goods and Stock-in-Trade

At lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost is determined on a 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.

(xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Group's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions and (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

The Group recognises a financial asset in its Consolidated Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified in the following categories:

i. Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. **Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL**

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Group does not own any financial asset classified at fair value though other comprehensive income.

iii. **Financial assets at fair value through profit or loss (FVTPL)**

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

A Financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item of Consolidated Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'Other Income' line item of the Consolidated Statement of Profit and Loss.

For all investments in equity instruments other than held for trading, at initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investment in any equity instruments as FVTOCI.

Derivative Financial Instruments:

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group does not hold derivative financial instruments for speculative purposes.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) the Group has transferred substantially all the risks and rewards of the asset, or

b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond, incentive receivable from Government; and

b) trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected in a separate line in the Consolidated Statement of Profit and Loss under the head ‘Other expenses’ as an impairment gain or loss.

For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

b) Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Group's current financial liabilities mainly comprise (a) trade payables, (b) liability for capital expenditure (c) security deposit (d) other payables and (e) forward contract.

Initial recognition and measurement

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Group. All the financial liabilities of the Group are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Group does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Consolidated Statement of Profit and Loss) when, and only when, the obligation under the liability is discharged or cancelled or expires.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 “Financial Instruments” to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

(xv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/ interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/ payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset’s installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

(xvii) Foreign Currency Transactions / Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Group’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange 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.

(xviii) Revenue recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of the Group's core products Cement and Ready Mix Concrete is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice.

Contract Balances

Trade receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a group's right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract liabilities

Contract liabilities, which is a group's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no. 23. Contract liabilities are recognised as revenue when the Group performs under the contract.

Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income and royalties

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(xix) Retirement and other employee benefits

a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans

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 plans and the same are charged to the Consolidated Statement of Profit and Loss for the year in which the employee renders the related service.

c) Defined Benefit Plans

The Group's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Consolidated Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Consolidated Statement of Profit and Loss when they occur.

ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Finance cost in the Consolidated Statement of Profit and Loss.

iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the retained earnings through OCI. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

d) Accumulated Compensated Absences

Accumulated compensated absences which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are treated as short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

e) Other Long-term benefits

Long service awards and accumulated compensated absences which are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Consolidated Statement of Profit and Loss.

f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

i. when the Group can no longer withdraw the offer of those benefits; and

ii. when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

g) Presentation and disclosure

For the purpose of presentation of Defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. The Group presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

h) Employee share-based payments

The Ultimate holding Company of the Group operates various equity-settled share-based compensation plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Consolidated Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Consolidated Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

(xx) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

(xxi) Borrowing Costs

Borrowing cost directly 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 or sale.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(xxii) Taxation

Tax expense comprises current tax 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

Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current income tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable 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.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Consolidated Statement of Profit and Loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

Minimum alternate tax

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(xxiii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in Property, Plant and Equipment. Lease income is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Group in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(xxiv) Segment Reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The board of directors of the Group has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers
Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items
Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Segment Policies
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ("CODM").

(xxv) Cash and Cash equivalents
Cash and cash equivalents consist of cash and cheques on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of the Group's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds and certificates of deposit that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

(xxvi) Government Grants and Subsidies

a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable.

c) Where the government grant / subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss, under other operating revenue over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

d) Where the grant or subsidy relates to an asset, it is presented in the balance sheet by setting up the grant as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

(xxvii) Earnings Per Share
Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(xxviii) Use of Estimates and Judgements
The preparation of the Group's Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

Defined benefit plans
The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Provisions
Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

Contingencies
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Useful lives of Property, Plant and Equipment
The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset.

Impairment of investments in joint-ventures and associates
Determining whether the investments in joint ventures and associates are impaired requires an estimate of the value of use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

(xxix) New Accounting Pronouncement – Adoption of Ind AS 115 "Revenue from contracts with Customers" (Change in accounting policy)

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 replaces Ind AS 18 Revenue.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Effective January 01, 2019, the Group has adopted Ind AS 115 'Revenue from Contracts with Customers' using the full retrospective approach.

The effect of adopting Ind AS 115 as at December 31, 2018 is as follows;

'Advances received from customers', as at December 31, 2018 has been classified as 'Contract Liabilities'.

Further, the adoption of Ind AS 115 did not have any significant impact on overall financial statements of the Group.

(xxx) New Ind AS that has been issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard / amendments are applicable to the Group with effect from January 01, 2020.

Ind AS 116: Leases

Ind AS 116 – on March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessee. This will result in the Group recognising right of use assets and lease liability in the books.

The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:

- Lessees to record all leases on the balance sheet with exemptions available for underlying assets of low value and short-term leases. The Group intends to use low value exemptions and short term exemption in accordance with Ind AS 116.
- At the commencement of a lease, a lessee will recognise lease liability and an asset representing the right to use the asset during the lease term (right-of-use asset).
- Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.
- A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the right-of-use asset.
- The standard has no impact on the actual cash flows of a Company. However, operating lease payments currently expensed as operating cash outflows will instead be capitalised and presented as financing cash outflows in the statement of cash flows.
- The Group has reviewed all relevant contracts to identify leases and preparations for this standard are substantially complete.

This review included:

- an assessment about whether the contract depends on a specific asset,
- whether the Group obtains substantially all the economic benefits from the use of that asset; and whether the Group has the right to direct the use of that asset.

- The estimated impact of Ind AS 116 on the Group's financial statements at December 31, 2020 is as follows:

  The Group intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, will be recognised at the present value of the remaining lease payments starting January 1, 2020, and discounted using the lessee's incremental borrowing rate as at the date of initial application.

  Furthermore, the Group has chosen the option whereby the right-of-use asset would equal the lease liability at the initial application of Ind AS 116.

Balance sheet:

- The Group is currently finalising the implementation of the Ind AS 116 standard, which is expected to translate as of January 01, 2020 into additional lease liabilities and right-of-use assets approximately ₹ 137 Crore.

Statement of Profit and Loss:

- The Group estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹ 30 Crore from the right-of-use assets. This will offset the reduction in operating lease expenses of around ₹ 35 Crore per year, resulting in an overall increase in Earnings before interest and taxes (EBIT) of ₹ 5 Crore. Finance costs are expected to increase by approximately ₹ 10 Crore per year due to the interest recognised on lease liabilities.

Statement of Cash Flows:

- The Group estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹ 35 Crore with a related decrease in cash flows used in financing activities of ₹ 35 Crore which relates to lease payments.

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective from January 01, 2020.

1. **Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments**

   The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Group has used in tax computation or plan to use in their income tax filings. The Group has currently carried out an initial assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

2. **Amendment to Ind AS 12 – Income taxes**

   The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

3. **Ind AS 19 - Plan amendment, curtailment or settlement**

   The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

4. **Amendments to Ind AS 28, Investments to Associates and Joint Ventures**

   The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures.

5. **Amendments to Ind AS 23, Borrowing Costs**

   The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not have any borrowings.

6. **Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements**

   The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

7. **Amendments to Ind AS 109, Financial Instruments**

   The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Consolidated Financial Statements.

NOTE 2. Property, Plant and Equipment

Refer Note 1 (x) for accounting policy on Property, Plant and Equipment

₹ Crore

PARTICULARS	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Depreciation charge for the year	Disposals	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Tangible Assets :										
Freehold Non-Mining Land	133.62	0.78	-	134.40	-	-	-	-	134.40	133.62
Freehold Mining Land	306.90	33.76	-	340.66	0.77	0.27	-	1.04	339.62	306.13
Leasehold Land	39.51	-	-	39.51	1.33	0.53	-	1.86	37.65	38.18
Buildings	1,661.56	64.37	8.16	1,717.77	220.44	78.07	7.69	290.82	1,426.95	1,441.12
Plant and Equipment	6,311.44	429.36	34.22	6,706.58	1,472.51	479.60	15.95	1,936.16	4,770.42	4,838.93
Railway Sidings	255.00	4.33	-	259.33	55.27	21.24	-	76.51	182.82	199.73
Furniture and Fixtures	27.26	2.47	0.11	29.62	12.64	3.15	0.09	15.70	13.92	14.62
Vehicles	68.64	19.69	0.09	88.24	27.40	10.59	0.09	37.90	50.34	41.24
Office equipment	59.17	8.51	1.40	66.28	37.56	9.22	1.27	45.51	20.77	21.61
TOTAL	**8,863.10**	**563.27**	**43.98**	**9,382.39**	**1,827.92**	**602.67**	**25.09**	**2,405.50**	**6,976.89**	**7,035.18**

PARTICULARS	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Depreciation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Tangible Assets :										
Freehold Non-Mining Land	130.61	3.03	0.02	133.62	-	-	-	-	133.62	130.61
Freehold Mining Land	304.81	2.09	-	306.90	0.51	0.26	-	0.77	306.13	304.30
Leasehold Land	39.25	0.26	-	39.51	0.79	0.54	-	1.33	38.18	38.46
Buildings	1,615.26	49.06	2.76	1,661.56	142.86	78.95	1.37	220.44	1,441.12	1,472.40
Plant and Equipment	5,992.35	344.51	25.42	6,311.44	1,007.72	473.19	8.40	1,472.51	4,838.93	4,984.63
Railway Sidings	246.48	8.52	-	255.00	34.34	20.93	-	55.27	199.73	212.14
Furniture and Fixtures	25.61	2.61	0.96	27.26	9.10	3.89	0.35	12.64	14.62	16.51
Vehicles	57.09	11.95	0.40	68.64	17.76	9.92	0.28	27.40	41.24	39.33
Office equipment	53.25	6.49	0.57	59.17	27.17	10.91	0.52	37.56	21.61	26.08
TOTAL	**8,464.71**	**428.52**	**30.13**	**8,863.10**	**1,240.25**	**598.59**	**10.92**	**1,827.92**	**7,035.18**	**7,224.46**

Note:

1 Buildings include cost of shares ₹ 4,120 (Previous year - ₹ 4,120) in various Co-operative Housing Societies, in respect of 8 (Previous year - 8) residential flats.

2 The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for 1 case of leasehold land amounting to net block of ₹ 2.10 Crore (Previous year - ₹ 2.16 Crore), 2 cases of freehold land amounting to net block of ₹ 1.37 Crore (Previous year - ₹ 1.41 Crore) and 2 cases of Buildings amounting to net block of ₹ 5.76 Crore (Previous year - ₹ 6.46 Crore) respectively as at December 31, 2019 for which title deeds are in the name of the erstwhile Company that merged with the Company.

3 Capital work in progress as at December 31, 2019 is ₹ 445.67 Crore (Previous year - ₹ 397.78 Crore). Refer Note 48 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) during the course of its construction.

4 For contractual commitment with respect to Property, Plant and Equipment Refer Note - 40.

NOTE 3. Other Intangible assets

Refer Note 1 (xi) for accounting policy on Intangible Assets

₹ Crore

PARTICULARS	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Amortisation charge for the year	Disposals	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Intangible Assets :										
Computer Software	2.89	0.01	-	2.90	2.02	0.68	-	2.70	0.20	0.87
Mining Rights	45.67	0.61	-	46.28	9.12	3.09	-	12.21	34.07	36.55
TOTAL	**48.56**	**0.62**	**-**	**49.18**	**11.14**	**3.77**	**-**	**14.91**	**34.27**	**37.42**

₹ Crore

PARTICULARS	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Amortisation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Intangible Assets :										
Computer Software	2.78	0.11	-	2.89	1.15	0.87	-	2.02	0.87	1.63
Mining Rights	43.76	1.91	-	45.67	5.36	3.76	-	9.12	36.55	38.40
TOTAL	**46.54**	**2.02**	**-**	**48.56**	**6.51**	**4.63**	**-**	**11.14**	**37.42**	**40.03**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2019

NOTE 4. Investments in associates and joint ventures accounted for using equity method (measured at cost)

Refer Note 1 (v) for accounting policy on Investment in associates and joint ventures

	As at December 31, 2019		As at December 31, 2018	
	Numbers	₹ Crore	Numbers	₹ Crore
Investments in Unquoted equity instruments				
Investment in Associates				
Face value ₹ 10 each fully paid				
Alcon Cement Company Private Limited	4,08,001	14.22	4,08,001	13.67
Asian Concretes and Cements Private Limited	81,00,000	80.05	81,00,000	68.06
		94.27		**81.73**
Investment in Joint Ventures				
Face value ₹ 10 each fully paid				
OneIndia BSC Private Limited	25,01,000	6.96	25,01,000	5.81
Aakaash Manufacturing Company Private Limited	4,401	11.25	4,401	12.86
		18.21		**18.67**
TOTAL		**112.48**		**100.40**
Aggregate amount of unquoted Investments		112.48		100.40

NOTE 5. Non-current investments

Refer Note 1 (xiv) for accounting policy on Investments

	As at December 31, 2019		As at December 31, 2018	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment at fair value through profit or loss (FVTPL)				
Investment in equity instruments (fully paid)				
Unquoted*				
Face value ₹ 10 each fully paid				
Kanoria Sugar & General Mfg. Company Limited	4	-	4	-
Gujarat Composites Limited	60	-	60	-
Rohtas Industries Limited	220	-	220	-
The Jaipur Udyog Limited	120	-	120	-
Digvijay Finlease Limited	90	-	90	-
The Travancore Cement Company Limited	100	-	100	-
Ashoka Cement Limited	50	-	50	-
Face value ₹ 5 each fully paid				
The Sone Valley Portland Cement Company Limited	100	-	100	-
		-		**-**
Investment at amortized cost				
Investment in Unquoted bonds				
Face value ₹ 1,000,000 each fully paid				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
TOTAL		**3.70**		**3.70**

Notes				
(I) Aggregate value of unquoted investments		3.70		3.70
(II) * Each of such investments is carried at value less than ₹ 50,000				

Refer Note 49 for information about fair value measurement and Note 50 for credit risk and market risk of investments.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 6. Non current - Loans

Considered Good - Unsecured, unless otherwise stated
Refer Note 1 (xiv) for accounting policy on Loans

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Security deposits	130.62	153.93
Loans and advances		
Considered good - Unsecured	3.90	4.02
Receivables which have significant increase in credit risk	26.99	22.59
Less: Allowance for doubtful advances	(26.99)	(22.59)
	3.90	**4.02**
Loans to Employees	9.24	11.19
TOTAL	**143.76**	**169.14**

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
Refer Note 50 for information about credit risk and market risk of loans.

NOTE 7. Other Non-Current financial assets

Refer Note 1 (xiv) for accounting policy on Financial Instruments

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Incentives under Government schemes	431.55	320.92
Bank deposits with more than 12 months maturity *	29.06	0.26
Margin money deposit with more than 12 months maturity**	7.62	4.15
TOTAL	**468.23**	**325.33**

*Lodged as security with government authorities of ₹ 28.80 Crore (Previous year - ₹ Nil).
**Margin money deposit is against bank guarantees given to Government authorities.
Refer Note 50 for information about credit risk and market risk of other financial assets.

NOTE 8. Non-current Tax Assets (net)

Refer Note 1 (xxii) for accounting policy on Taxation

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Advance tax (Net of provision for tax) (Refer Note - 21)	859.76	674.97
TOTAL	**859.76**	**674.97**

NOTE 9. Other non-current assets

Unsecured, Considered Good, unless otherwise stated

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Capital Advances	94.72	180.80
Advance other than Capital Advances		
Claim receivables from Government and Others		
Unsecured, considered good	155.81	156.02
Considered doubtful	4.21	4.32
Less: Allowance for doubtful receivables	(4.21)	(4.32)
	155.81	156.02
Deposits with Government bodies and others		
Unsecured, considered good	290.55	275.20
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	290.55	275.20
TOTAL	**541.08**	**612.02**

NOTE 10. Inventories

At lower of cost and net realisable value

Refer Note 1 (xiii) for accounting policy on Inventories

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Raw Materials	117.44	185.74
{Including goods-in-transit ₹ 4.09 Crore (Previous year - ₹ 11.22 Crore)}		
Work-in-progress	177.61	222.89
Finished goods	231.32	293.77
Stock-in-trade	7.90	0.98
{Including goods-in-transit ₹ 0.49 Crore (Previous year - ₹ Nil)}		
Stores and spares	311.47	394.30
{Including goods-in-transit ₹ 14.74 Crore (Previous year - ₹ 20.70 Crore)}		
Packing Materials	20.65	21.83
Fuels	275.54	559.88
{Including goods-in-transit ₹ 11.53 Crore (Previous year - ₹ 46.37 Crore)}		
TOTAL	**1,141.93**	**1,679.39**

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is ₹ 6.38 Crore. (Previous year - ₹ 4.42 Crore). There has been no reversal of such write down in current and previous year.

NOTE 11. Trade receivables

Refer Note 1 (xiv) for accounting policy on Trade receivables

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Considered good - Secured	43.35	105.90
Considered good - Unsecured*	583.30	761.47
Receivables which have significant increase in credit risk {Refer Note 50(i)}	41.13	24.65
	667.78	892.02
Less : Allowance for doubtful receivables	(41.13)	(24.65)
TOTAL	**626.65**	**867.37**

No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

*Refer Note 43 for receivables from related parties.

Refer Note 50 for information about credit risk and market risk of trade receivables.

NOTE 12. Cash and Cash Equivalents

Refer Note 1 (xxv) for accounting policy on Cash and Cash Equivalents

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Balances with banks:		
- In current accounts	30.42	97.26
- Deposits with original maturity of less than three months	2,174.90	1,078.19
	2,205.32	**1,175.45**
Cheques on hand*	36.71	98.66
Deposit with other than banks with original maturity of less than three months	250.00	100.00
Post office saving accounts	0.01	0.01
	2,492.04	**1,374.12**
Investments in liquid mutual funds measured at FVTPL	757.51	722.99
Certificates of deposit with original maturity of less than three months	1,242.98	836.10
TOTAL	**4,492.53**	**2,933.21**

*Cheques on hand are cleared subsequent to the year end.

As at December 31, 2019, the Company has sanctioned and available undrawn borrowing facilities of ₹ 145.00 Crore (Previous year - ₹ 155.00 Crore). There are no restrictions on the use of these facilities. The amount of undrawn borrowing facilities are available for future operating activities and to settle capital commitments.

NOTE 13. Bank balances other than Cash and Cash Equivalents

Refer Note 1 (xiv) for accounting policy on Financial Instruments

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Other bank balances:		
*Deposits with original maturity for more than 3 months but less than 12 months	121.84	115.21
**Margin money deposits with original maturity for more than 3 months but less than 12 months	2.44	13.93
#On unpaid dividend accounts	30.92	34.63
TOTAL	**155.20**	**163.77**

* Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 121.56 Crore {(Previous year - ₹ 114.76 Crore) - Refer Note - 41 (A) (a)}.

** Margin money deposit is against bank guarantees given to Government authorities.

These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTE 14. Current - Loans

Considered good - unsecured
Refer Note 1 (xiv) for accounting policy on Loans

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Security deposits	23.48	72.01
Loan to Employees	5.54	5.29
TOTAL	**29.02**	**77.30**

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for credit risk and market risk of loans.

NOTE 15. Other current financial assets

Refer Note 1 (xiv) for accounting policy on Financial Instruments

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Incentives under Government schemes	258.95	213.02
Interest Accrued on Investments	10.19	16.80
Other Accrued Interest	1.24	1.86
TOTAL	**270.38**	**231.68**

Refer Note 50 for credit risk and market risk of other financial assets

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 16. Other current assets

Considered Good - Unsecured, unless otherwise stated

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Advances other than capital advances		
Advances to suppliers	438.86	324.21
Prepaid expenses	42.32	25.00
Other receivables		
Balances with statutory/ government authorities	281.94	328.44
Others	45.27	42.52
Other Receivables which have significant increase in credit risk	17.88	17.72
	63.15	60.24
Less: Allowance for doubtful receivables	(17.88)	(17.72)
	45.27	42.52
TOTAL	**808.39**	**720.17**

No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

NOTE 17. Non-current assets classified as held for sale

Refer Note 1 (xx) for accounting policy on Non-current assets held for sale

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Plant and equipment (i)	5.36	6.44
Building (ii)	5.11	5.11
TOTAL	**10.47**	**11.55**

(i) The Group intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.

(ii) The Group intends to dispose off buildings (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ Nil (Previous year - ₹ 0.28 Crore) is recognised in the Consolidated Statement of Profit and Loss under other expenses.

NOTE 18. Equity Share Capital

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Authorised		
22,50,00,000 (Previous year - 22,50,00,000) Equity shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous year - 10,00,00,000) Preference shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous year - 18,87,93,243) Equity shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 (Previous year - 18,77,87,263) Equity shares of ₹ 10 each fully paid	187.79	187.79
Add : 3,84,060 (Previous year - 3,84,060) Equity shares of ₹ 10 each forfeited - amount originally paid	0.20	0.20
TOTAL	**187.99**	**187.99**

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2018	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2018	**18,77,87,263**	**187.79**
Increase/ (decrease) during the year	-	-
As at December 31, 2019	**18,77,87,263**	**187.79**

ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per 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 holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Equity shares held by holding company/ ultimate holding company and/ or their subsidiaries/ associates

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Ambuja Cements Limited, the Holding company 9,39,84,120 (Previous year - 9,39,84,120) Equity shares ₹ 10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited 84,11,000 (Previous year - 84,11,000) Equity shares ₹ 10 each fully paid	8.41	8.41
Companies referred above are subsidiaries of LafargeHolcim Ltd, Switzerland, the ultimate holding company.		

iv) Details of shareholders holding more than 5% shares in the Company

	As at December 31, 2019		As at December 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,06,79,857	5.69	1,94,05,142	10.33

v) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 19. Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Securities Premium	845.03	845.03
General Reserve	2,796.78	2,796.78
Capital contribution from parent	0.63	-
Retained earnings	7,713.34	6,702.10
TOTAL	**11,355.78**	**10,343.91**

The description of the nature and purpose of each reserve within equity is as follows:

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Consolidated Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Group.

Capital Contribution from parent: Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by the parent company "LafargeHolcim Ltd" to the executives and senior management of the Group.

Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings includes re-measurement loss / gain on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained Earnings is a free reserve available to the Group.

NOTE 20. Non-current provisions

Refer Note 1 (viii) for accounting policy on provisions
Refer Note 1 (xvi) for accounting policy on Site restoration provisions

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note - 38)	141.92	103.33
Provision for provident fund (Refer Note - 38)	55.25	0.03
Provision for long service award	4.49	3.85
Other provisions		
Provision for Site Restoration (Refer note - 20.1 below)	33.44	33.08
TOTAL	**235.10**	**140.29**

NOTE 20.1 - Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Opening Balance	33.08	32.85
Provision / (reversal) during the year (net)	(1.21)	(1.62)
Utilised during the year	(0.35)	(0.13)
Unwinding of discount and changes in the discount rate	1.92	1.98
Closing Balance	**33.44**	**33.08**
	-	-

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 21. Income tax

Refer Note 1 (xxii) for accounting policy on Taxation
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2019:

	Year ended December 31, 2019		Year ended December 31, 2018	
	₹ Crore	In %	₹ Crore	In %
Profit before share of profit of associates and joint ventures and tax	2,038.50		1,499.79	
At India's statutory income tax rate	712.25	34.94%	524.03	34.94%
Effect of Allowances for tax purpose				
Tax Holiday claim under Section 80-IA	(60.07)	(2.95%)	(52.29)	(3.49%)
Effect of Non-Deductible expenses				
Corporate social responsibility expenses	8.76	0.43%	7.13	0.48%
Others (including effect of change in tax rate in previous year)	14.63	0.72%	11.63	0.78%
Effect of Tax Exempt Income - Dividend	(0.59)	(0.03%)	(0.38)	(0.03%)
	(37.27)	**(1.83%)**	**(33.91)**	**(2.26%)**
At the effective income tax rate	**674.98**	**33.11%**	**490.12**	**32.68%**
Tax adjustments for earlier years (Refer Note 2 below)	-	-	(500.63)	(33.38%)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**674.98**	**33.11%**	**(10.51)**	**(0.70%)**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Group is currently in the process of evaluating this option.

The Group will apply the lower tax rate in measurement of deferred tax only to the extent the the assets/liabilities are expected to be realised/settled in the periods during which the Group expects to be subject to lower tax rate. This has also been clarified by the Ind AS Technical Facilitation Group (ITFG) of Ind AS Implementation Committee of the Institute of Chartered Accountants of India on October 26, 2019.

Tax adjustments for earlier years

The Company was entitled to excise incentives from Government at its Gagal plant located in the State of Himachal Pradesh, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts and hence not liable to income tax. The Income tax department had initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). The Company had received one favourable order from the Assessing Officer. Considering unfavourable orders by the Income tax department, the Company, up to December 31, 2017, had classified the risk for these matters as probable and provided for the same.

During the past two years, the matter has been decided in the favour of the Company for three more years, at the Commissioner of Income tax-appeals (CIT-A) and at the Assessing Officer level, against which the department has filed an appeal with the CIT (A) and ITAT.

In view of the series of repeated favourable orders by the Income tax department in the last two years, the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A), as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

Accordingly in the previous year the Company reversed the provisions of ₹ 500.63 Crore resulting in reduction in current tax liabilities by ₹ 200.30 Crore, increase in MAT Credit Entitlement (net) of ₹ 34.72 Crore and an increase in non-current tax assets by ₹ 265.61 Crore.

During the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Company has recognised interest income on income tax refund and reversal of provision for interest expense on income tax related to excise incentive, aggregating ₹ 88.79 Crore.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the previous year in respect of excise incentives for two years. In the current year, the ITAT has directed the Assessing Officer to re-examine and take final decision independently.

Pending final closure of this matter, the aforesaid reversal of provision for tax of ₹ 500.63 Crore along with interest payable, if any of ₹ 97.37 Crore has been included under contingent liabilities in Note 41(A).

Deferred Tax:

Deferred Tax relates to the following:

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Deferred Tax Liabilities:		
Depreciation and amortisation differences	933.94	895.92
Deferred Tax Liabilities on undistributed profit of associates and joint ventures	12.97	10.73
	946.91	**906.65**
Deferred Tax Assets:		
Provision for employee benefits	73.68	47.37
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	98.78	103.81
Allowance for obsolescence of Stores and Spares	9.88	9.88
Allowance for doubtful debts, advances and other assets	17.51	11.79
MAT credit entitlement	-	22.67
Other temporary differences	91.34	36.56
	291.19	**232.08**
Net Deferred Tax Liabilities	**655.72**	**674.57**

The major components of deferred tax liabilities / assets arising on account of timing differences are as follows:

₹ Crore

	Net Balance as on January 01, 2019	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2019
Deferred Tax Liabilities:					
Depreciation and amortisation differences	895.92	38.02	-	-	933.94
Deferred Tax Liabilities on undistributed profit of associates and joint ventures	10.73	2.24	-	-	12.97
	906.65	**40.26**	**-**	**-**	**946.91**

	Net Balance as on January 01, 2019	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2019
Deferred Tax Assets:					
Provision for employee benefits	47.37	0.01	26.30	-	73.68
Expenditure debited in Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	103.81	(5.03)	-	-	98.78
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	11.79	5.72	-	-	17.51
MAT credit entitlement	22.67	-	-	(22.67)	-
Other temporary differences	36.56	54.78	-	-	91.34
	232.08	**55.48**	**26.30**	**(22.67)**	**291.19**
Net Deferred Tax Liabilities	**674.57**	**(15.22)**	**(26.30)**	**22.67**	**655.72**

₹ Crore

	Net Balance as on January 01, 2018	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Deferred Tax Liabilities:					
Depreciation and amortisation differences	862.29	33.63	-	-	895.92
Deferred Tax Liabilities on undistributed profit of associates and joint venture	9.07	1.66	-	-	10.73
	871.36	**35.29**	**-**	**-**	**906.65**
Deferred Tax Assets:					
Provision for employee benefits	41.71	3.06	2.60	-	47.37
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.47	(1.66)	-	-	103.81
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	13.07	(1.28)	-	-	11.79
MAT credit entitlement	115.73	-	-	(93.06)	22.67
Other temporary differences	33.94	2.62	-	-	36.56
	319.80	**2.74**	**2.60**	**(93.06)**	**232.08**
Net Deferred Tax Liabilities	**551.56**	**32.55**	**(2.60)**	**93.06**	**674.57**

*MAT Credit utilised is net of MAT Credit Entitlement of ₹ 34.72 Crore increased on account of tax adjustments for earlier years as stated above.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 24.26 Crore (Previous Year - ₹ 20.87 Crore). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

The Subsidiaries having the following unused tax losses which arose on incurrence of business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

Financial Year	Category	₹ Crore	Expiry date
2011-12	Business Loss	0.35	March 31, 2020
2012-13	Business Loss	0.86	March 31, 2021
2013-14	Business Loss	1.03	March 31, 2022
2014-15	Business Loss	0.27	March 31, 2023
2015-16	Business Loss	0.21	March 31, 2024
2016-17	Business Loss	0.95	March 31, 2025
2016-17	Depreciation	0.11	Not Applicable
2017-18	Business Loss	1.52	March 31, 2026
2017-18	Depreciation	0.06	Not Applicable
2018-19	Business Loss	0.55	March 31, 2027
2018-19	Depreciation	0.04	Not Applicable
	TOTAL	**5.95**	

The above information is based on the returns of income filed by the individual subsidiary companies upto assessment year 2019-2020.

NOTE 22. Other current financial liabilities

Refer Note 1 (xiv) for accounting policy on Financial Instruments

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Financial Liabilities at amortised cost		
Interest accrued	26.50	24.18
Unpaid dividends*	30.92	34.63
Security deposits and retention money	711.49	553.55
Liability for capital expenditure	54.76	69.68
Provision for employees	113.83	92.31
Financial Liabilities at fair value		
Foreign currency forward contract	-	1.19
TOTAL	**937.50**	**775.54**

*Investor Education and Protection Fund ('IEPF') - As at December 31, 2019 , there is no amount due and outstanding to be transferred to the IEPF by the Group. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

NOTE 23. Other current liabilities

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Contract Liability *		
Advances from customers	156.93	226.86
Other Liability		
Statutory dues payable	551.46	575.85
Rebates to customers	497.00	446.60
Other payables	714.00	545.32
(including interest on income tax, etc.)		
TOTAL	**1,919.39**	**1,794.63**

* The Group has adopted Ind AS 115 with full retrospective approach. Advance from customer has been included as part of contract liabilities.

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2019.

NOTE 24. Current provisions

Refer Note 1 (viii) for accounting policy on provisions

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note - 38)	10.21	18.16
Provision for compensated absences	12.32	8.12
Provision for long service award	0.86	1.02
TOTAL	**23.39**	**27.30**

NOTE 25. Revenue from operations

Refer Note 1 (xviii) for accounting policy on Revenue Recognition

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenue from contracts with customers		
Sale of Manufactured products	14,895.73	14,357.65
Sale of Traded products	443.48	112.54
Income from services rendered	3.90	7.28
Sale of products and services	**15,343.11**	**14,477.47**
Other Operating Revenue		
Provision no longer required written back	9.53	24.69
Scrap Sales	29.76	42.88
Government grants*	174.69	162.31
Miscellaneous income (including insurance claim, other services, etc.)	100.46	94.27
TOTAL	**15,657.55**	**14,801.62**

*Government grants have been accrued for the GST refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

Reconciliation of revenue as per contract price and as recognised in consolidated Statement of Profit and Loss:

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenue as per Contract price	17,291.37	15,866.60
Less: Discounts and incentives	(1,948.26)	(1,389.13)
Revenue as per statement of profit and loss	**15,343.11**	**14,477.47**

The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.

The Group does not provides performance warranty for products, therefore there is no liability towards performance warranty.

The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Disaggregation of revenue:

Refer Note 44 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

NOTE 26. Other Income

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest income using the effective interest rate method		
Interest on bank deposits	162.48	94.11
Interest on income tax **	99.51	0.10
Other interest income	7.50	10.69
	269.49	**104.90**
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	21.64	35.91
Net gain on fair valuation of current financial assets measured at FVTPL*	0.43	0.91
Net gain on disposal of Property, Plant and Equipment	26.87	0.94
	48.94	**37.76**
TOTAL	**318.43**	**142.66**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

**During the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Group has recognised interest income on income tax refund and reversal of provision for interest expense on income tax, aggregating ₹ 276.66 Crore. However, considering the uncertainty of its ultimate realisability, the Group has also made a provision of ₹ 177.18 Crore for matters other than excise incentive since considered as probable, resulting in recognition of net income of ₹ 99.48 Crore in other income during the year.

NOTE 27. Cost of materials consumed

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Inventories at the beginning of the year	185.74	153.96
Add: Purchases	2,188.09	2,399.95
	2,373.83	**2,553.91**
Less: Inventories at the end of the year	117.44	185.74
TOTAL	**2,256.39**	**2,368.17**

Details of cost of materials consumed

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Slag	334.75	464.91
Gypsum	358.69	356.25
Fly Ash	415.45	455.30
Cement for Ready Mix Concrete	172.50	105.75
Aggregates	252.05	238.55
Others*	722.95	747.41
TOTAL	**2,256.39**	**2,368.17**

*Includes no item which in value individually accounts for 10 percent or more of the total value of cost of materials consumed.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 28. Purchases of Stock-in-Trade

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cement	360.24	79.32
Ready Mix Concrete	1.45	9.94
TOTAL	**361.69**	**89.26**

NOTE 29. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Inventories at the end of the year		
Stock-in-Trade	7.90	0.98
Finished Goods	231.32	293.77
Work-in-progress	177.61	222.89
	416.83	**517.64**
Inventories at the Beginning of the year		
Stock-in-Trade	0.98	0.17
Finished Goods	293.77	161.62
Work-in-progress	222.89	230.87
	517.64	**392.66**
TOTAL	**100.81**	**(124.98)**

NOTE 30. Employee benefits expense

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Salaries and Wages* (Refer note - 48)	758.75	775.99
Contributions to Provident and other Funds	59.00	58.09
Employee share based payments (Refer Note - 55)	0.63	-
Staff welfare expenses	47.73	49.50
TOTAL	**866.11**	**883.58**

* Salaries and Wages expense for the year ended December 31, 2019 include ₹ Nil (Previous year - ₹ 70.30 Crore) on account of charge for Employee Separation Scheme.

NOTE 31. Freight and forwarding expense

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
On clinker transfer	495.82	515.82
On finished and semifinished products	3,536.27	3,477.00
TOTAL	**4,032.09**	**3,992.82**

NOTE 32. Finance costs

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest		
On Income tax	16.90	29.59
On Defined benefit obligation (net) (Refer Note - 38)	7.91	9.31
Interest on deposits from dealers	33.45	28.89
Interest on litigation matters	17.73	10.31
Others	8.36	7.69
Unwinding of discount on site restoration provision (Refer Note - 20.1)	1.92	1.98
TOTAL	**86.27**	**87.77**

NOTE 33. Depreciation and amortisation expense

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Depreciation on Property, Plant and Equipment	602.67	598.59
Amortisation of intangible assets	3.77	4.63
TOTAL	**606.44**	**603.22**

NOTE 34. Other expenses

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Consumption of stores and spare parts	326.95	319.56
Consumption of packing materials	458.13	502.59
Rent	130.61	137.11
Rates and taxes (Refer note - 48)	140.02	152.11
Repairs	155.17	174.98
Insurance	20.55	21.53
Royalty on minerals	278.77	271.54
Advertisement	111.60	72.10
Technology and know-how fees	152.33	144.46
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note - 50(i))}	21.51	5.39
Corporate Social Responsibility expense (Refer Note 2 below)	25.07	20.45
Miscellaneous expenses (Refer Note - 48 and 1 below)	675.28	724.71
TOTAL	**2,495.99**	**2,546.53**

Notes

1. (i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

   (ii) Miscellaneous expenses includes Commission on sales, Information technology services, Travelling expenses, Other third party services, etc.

   (iii) Miscellaneous expenses includes net loss of ₹ 4.46 Crore (Previous year - ₹ 3.23 Crore) on foreign currency transaction and translation.

   (iv) Miscellaneous expenses includes net gain of ₹ 0.94 Crore (Previous year - net loss of ₹ 2.12 Crore) on foreign currency forward contract.

2. Details of Corporate Social Responsibility expenses:

The Group has spent ₹ 25.07 Crore (Previous Year - ₹ 20.45 Crore) towards various schemes of Corporate Social Responsibility. The details are:

(a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹ 23.90 Crore (Previous year - ₹ 19.60 Crore) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

(b) No amount has been spent on construction / acquisition of an asset of the Group.

NOTE 35. Earnings Per Share - [EPS]

Refer Note 1 (xxvii) for Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
Profit attributable to equity shareholders (as per Consolidated Statement of Profit and Loss)		1,377.41	1,520.47
Weighted average number of equity shares for Earnings Per Share computation			
Number of shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of shares held in abeyance		4,57,816	4,55,189
(Movement in number of shares is on account of change in average fair value of share)			
Weighted average number of Equity shares adjusted for the effect of dilution		18,82,45,079	18,82,42,452
Earnings per share			
Face value per share	₹	10.00	10.00
Basic ₹	₹	73.35	80.97
Diluted ₹	₹	73.17	80.77

The following reflects the basic and diluted EPS computations excluding "tax adjustments for earlier years":

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
Profit attributable to equity shareholders (as per Consolidated Statement of Profit and Loss)		1,377.41	1,520.47
Less: Tax adjustments for earlier years (Refer Note - 21)		-	500.63
Profit before tax adjustments for earlier years		1,377.41	1,019.84
Earnings per share			
Face value per share	₹	10.00	10.00
Basic	₹	73.35	54.31
Diluted	₹	73.17	54.18

NOTE 36. Group information

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2019	As at December 31, 2018
Bulk Cement Corporation (India) Limited	Cement and cement related products	India	94.65%	94.65%
ACC Mineral Resources Limited	Cement and cement related products	India	100%	100%
Lucky Minmat Limited	Cement and cement related products	India	100%	100%
National Limestone Company Private Limited	Cement and cement related products	India	100%	100%
Singhania Minerals Private Limited	Cement and cement related products	India	100%	100%

The financial statements of each of the above Companies are drawn upto the same reporting date as that of the parent company, i.e. December 31, 2019.

The holding company

Ambuja Cements Limited is the holding Company of ACC Ltd. and LafargeHolcim Ltd. is the ultimate holding company for the Group.

Associates

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2019	As at December 31, 2018
Alcon Cement Company Private Limited	Cement and cement related products	India	40%	40%
Asian Concretes and Cements Private Limited	Cement and cement related products	India	45%	45%

Joint ventures

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2019	As at December 31, 2018
OneIndia BSC Private Limited	Shared services	India	50%	50%
Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	40%	40%
Joint Operations of ACC Mineral Resources Limited				
MP AMRL (Semaria) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Bicharpur) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Marki Barka) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Morga) Coal Company Limited	Cement related products	India	49%	49%

NOTE 37. Financial information in respect of Joint ventures and Associates that are not individually material:

The Company's interests in below mentioned joint ventures and associates are accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the associate's and joint venture's financial statements prepared in accordance with Ind AS adjusted by the Company for equity accounting purposes:

a. Joint ventures

₹ Crore

	For the Year ended December 31, 2019	For the Year ended December 31, 2018
OneIndia BSC Private Limited		
Group's share of profit	1.29	1.59
Group's share of other comprehensive income	(0.14)	(0.01)
Group's share of total comprehensive income	1.15	1.58
Aakaash Manufacturing Company Private Limited		
Group's share of profit	(0.24)	1.49
Group's share of other comprehensive income	(0.05)	0.02
Group's share of total comprehensive income	(0.29)	1.51

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Aggregate carrying amount of the Group's interests in these Joint ventures		
OneIndia BSC Private Limited	6.96	5.81
Aakaash Manufacturing Company Private Limited	11.25	12.86

b. Associates

₹ Crore

	For the Year ended December 31, 2019	For the Year ended December 31, 2018
Alcon Cement Company Private Limited		
Group's share of profit	0.98	0.32
Group's share of other comprehensive income	(0.06)	-
Group's share of total comprehensive income	0.92	0.32
Asian Concretes and Cements Private Limited		
Group's share of profit	11.99	6.92
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	11.99	6.92

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Aggregate carrying amount of the Group's interests in these Associates		
Alcon Cement Company Private Limited	14.22	13.67
Asian Concretes and Cements Private Limited	80.05	68.06

NOTE 38. Employee benefits

Refer Note 1 (xix) for accounting policy on Employee benefits

a) **Defined Contribution Plans –** Amount recognised and included in Note 30 "Contributions to Provident and other Funds" of Consolidated Statement of Profit and Loss ₹ 16.60 Crore (Previous year - ₹ 16.92 Crore)

b) **Defined Benefit Plans –** As per actuarial valuation on December 31, 2019.

The Group has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan as given below:

i. The Group operates a Gratuity Plan through a trust for its all employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Group on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

iii. Benefits under Post Employment Medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.

iv. Refer Note - (c) for Provident fund scheme.

Governance and Investment Strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Each year, the Board of Trustees and the Group review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Group decides its contribution based on the results of this annual review.

Every year an Asset-Liability-Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - As the plan assets include significant investments in quoted debt and equity instruments, the Group is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2019

Defined Benefit Plans as per Actuarial valuation on December 31, 2019

₹ Crore

		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
I	**Expense recognised in the Consolidated Statement of Profit and Loss – for the year ended December 31, 2019**			
	Components recognised in the Consolidated Statement of Profit and Loss			
1	Current service cost	13.39	9.07	(0.20)
		13.58	*8.54*	*(0.31)*
2	Net Interest cost	(0.15)	7.33	0.73
		1.01	*7.80*	*0.50*
3	Past service cost	-	-	-
		-	*(13.36)*	-
4	Net benefit expense	13.24	16.40	0.53
		14.59	*2.98*	*0.19*
	Components recognised in Consolidated other comprehensive income (OCI)			
5	Actuarial (gains) / losses arising from change in financial assumptions	8.85	5.99	0.64
		(1.85)	*(0.82)*	*0.10*
6	Actuarial (gains) / losses arising from change in experience adjustments	9.01	2.59	(1.27)
		3.49	*1.62*	*3.31*
7	Actuarial (gains) / losses arising from change in demographic assumptions	(0.01)	-	-
		-	-	-
8	(Gain) / loss on plan assets (Excluding amount included in net interest expenses)	(5.73)	-	-
		1.60	-	-
9	Sub-total - Included in OCI	12.12	8.58	(0.63)
		3.24	*0.80*	*3.41*
10	Total expense (4 + 9)	25.36	24.98	(0.10)
		17.83	*3.78*	*3.60*
II	**Amount recognised in Balance Sheet**			
1	Present value of Defined Benefit Obligation	(203.75)	(113.35)	(9.16)
		(181.90)	*(102.89)*	*(10.18)*
2	Fair value of plan assets	174.13	-	-
		173.45	-	-
3	Funded status {Surplus/(Deficit)}	(29.62)	(113.35)	(9.16)
		(8.45)	*(102.89)*	*(10.18)*
4	Net asset/(liability) as at December 31, 2019	(29.62)	(113.35)	(9.16)
		(8.45)	*(102.89)*	*(10.18)*
III	**Present value of Defined Benefit Obligation**			
1	Present value of Defined Benefit Obligation at beginning of the year	181.90	102.89	10.18
		197.92	*109.75*	*7.37*
2	Current service cost	13.39	9.07	(0.20)
		13.58	*8.54*	*(0.31)*
3	Interest cost	12.77	7.33	0.73
		13.73	*7.80*	*0.50*
4	Past service cost	-	-	-
		-	*(13.36)*	-
5	Actuarial (gains) / losses arising from changes in financial assumptions	8.85	5.99	0.64
		(1.85)	*(0.82)*	*0.10*
6	Actuarial (gains) / losses arising from experience adjustments	9.01	2.59	(1.27)
		3.49	*1.62*	*3.31*

₹ Crore

		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
7	Actuarial (gains) / losses arising from change in demographic assumptions	(0.01)	-	-
		-	-	-
8	Benefits Payments	(22.16)	(14.52)	(0.92)
		(44.50)	*(10.64)*	*(0.79)*
9	Increase/ (Decrease) due to effect of any business combination, divestitures, transfers	-	-	-
		(0.47)	-	-
10	Present value of Defined Benefit Obligation at the end of the year	203.75	113.35	9.16
		181.90	*102.89*	*10.18*
IV	**Fair value of Plan Assets**			
1	Plan assets at the beginning of the year	173.45	-	-
		180.99	-	-
2	Interest income	12.92	-	-
		12.72	-	-
3	Contributions by Employer	0.80	-	-
		21.00	-	-
4	Actual benefits paid	(18.77)	-	-
		(39.66)	-	-
5	Actuarial gains / (losses) arising from changes in financial assumptions	5.73	-	-
		(1.60)	-	-
6	Plan assets at the end of the year	174.13	-	-
		173.45	-	-
V	**Weighted Average duration of Defined Benefit Obligation**	10 Years	10 Years	NA
		10 Years	*10 Years*	*NA*

(Figures in italics pertain to previous year)

VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2019

₹ Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(13.26)	15.13	(8.51)	9.46	(0.70)	0.78
Future salary growth (1% movement)	14.95	(13.35)	9.32	(8.53)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.32	(0.31)

Sensitivity Analysis as at December 31, 2019

₹ Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.44)	13.02	(7.78)	8.53	(0.76)	0.89
Future salary growth (1% movement)	12.94	(11.59)	8.94	(8.28)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.37	(0.35)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

VII The major categories of plan assets as a percentage of total plan (%)

	Gratuity	
Particulars	As at December 31, 2019	As at December 31, 2018
Debt instruments		
Government securities	60%	54%
Debentures and bonds	33%	38%
Equity shares	4%	4%
Cash and cash equivalents:		
Fixed deposits	3%	4%
	100%	**100%**

VIII. Actuarial Assumptions:

	Particulars	As at December 31, 2019	As at December 31, 2018
a)	**Financial Assumptions**		
1	Discount rate	6.80%	7.45%
2	Salary increase rate	7.00%	7.00%
b)	**Demographic Assumptions**		
1	Retirement age	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years
3	Disability rate	5.00%	5.00%
4	Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate
5	Mortality post–retirement	Mortality for annuitants LIC (1996-98) Ultimate	Mortality for annuitants LIC (1996-98) Ultimate
6	Medical premium inflation	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%

c) The discount rate is based on the prevailing market yields of Government of India securities as at the Consolidated Balance Sheet date for the estimated term of the obligations.

d) 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.

e) Expected cash flows :

₹ Crore

Particulars		Funded Gratuity As at December 31, 2019	Funded Gratuity As at December 31, 2018	Unfunded Gratuity As at December 31, 2019	Unfunded Gratuity As at December 31, 2018	PEMB As at December 31, 2019	PEMB As at December 31, 2018
1.	Expected employer contribution in the next year	-	15.00	-	-	-	-
2.	Expected benefit payments						
	Year 1	23.54	20.95	9.43	8.89	0.96	0.83
	Year 2	22.98	20.42	9.85	9.02	0.98	0.86
	Year 3	24.87	21.30	10.69	9.57	1.00	0.91
	Year 4	22.45	22.38	11.88	11.26	1.03	0.95
	Year 5	22.79	20.04	10.90	10.34	1.02	0.99
	Next 5 years	77.87	77.47	47.33	44.14	4.85	4.90
Total expected payments		**194.50**	**182.56**	**100.08**	**93.22**	**9.84**	**9.44**

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Consolidated Statement of Profit and Loss.

g) Other Long term employee benefits - Amount recognised as an expense under employee benefit expenses in the Consolidated Statement of Profit and Loss in respect of compensated absences and long service award is ₹ 17.87 Crore (Previous year - ₹ 14.08 Crore). Following are the actuarial assumptions used for valuation of Other Long term employee benefits.

	Particulars	As at December 31, 2019	As at December 31, 2018
a)	**Financial Assumptions**		
1	Discount rate	6.80%	7.45%
2	Salary increase rate	7.00%	7.00%
b)	**Demographic Assumptions**		
1	Retirement age	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years
3	Disability rate	5.00%	5.00%
4	Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate

c) Provident Fund

Provident Fund for certain eligible employees is managed by the Group through a trust "The Provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate. The exempt provident fund set up by the Group is a defined benefit plan under Ind AS 19 Employee Benefits.

The Group has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and loss of ₹ 55.21 Crore (including investment risk fall as mentioned below) on re-measurement of the defined benefit plan is recognised in Other Comprehensive Income (OCI).

The Provident Fund of ACC Limited (Trust) had invested ₹ 49 Crore in perpetual bonds of IL&FS Financial Services Limited.

In view of uncertainties regarding recoverability of this investment, during the current year ended December 31, 2019 the Group has provided ₹ 49 Crore being the change in re-measurement of the defined benefit plans, in Other Comprehensive Income towards probable incremental employee benefit liability that may arise on the Group on account of any likely shortfall of the Trust in meeting its obligations.

Defined benefit plans as per actuarial valuation on December 31, 2019

₹ Crore

	Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
I	**Components of expense recognised in the Consolidated Statement of Profit and Loss**		
1	Current service cost	25.64	22.71
2	Total expense	25.64	22.71
	Components recognised in other comprehensive income (OCI)		
3	Actuarial (gains) / losses arising from changes in financial assumptions on Liability	12.72	-
4	Actuarial (gains) / losses arising from changes in financial assumptions on Plan Assets	42.49	-
5	Sub-total - Included in OCI	55.21	-
6	Total expense (2 + 5)	80.85	22.71
II	**Amount recognised in Consolidated Balance Sheet**		
1	Present value of Defined Benefit Obligation	(820.64)	(729.68)
2	Fair value of plan assets	765.39	729.65
3	Funded status {Surplus/(Deficit)}	(55.25)	(0.03)
4	Net asset/(liability) as at end of the year	(55.25)	(0.03)
III	**Present Value of Defined Benefit Obligation**		
1	Present value of Defined Benefit Obligation at beginning of the year	729.68	714.09
2	Current service cost	25.64	22.71
3	Interest cost	62.66	43.32
4	Employee Contributions	63.32	63.73
5	Actuarial (gains) / losses arising from changes in financial assumptions	-	(4.40)
6	Actuarial (gains) / losses arising from experience adjustments	12.72	(1.92)
7	Benefits Payments	(82.35)	(134.09)
8	Increase/ (Decrease) due to effect of any transfers	8.97	26.24
9	Present value of Defined Benefit Obligation at the end of the year	820.64	729.68
IV	**Fair Value of Plan Assets**		
1	Plan assets at the beginning of the year	729.65	717.43
2	Interest income	62.66	43.32
3	Contributions by Employer	25.64	22.71
4	Contributions by Employee	63.32	63.73
5	Actual benefits paid	(82.35)	(134.09)
6	Net transfer in / (out)	8.97	26.24
7	Actuarial gains / (losses) arising from changes in financial assumptions	(42.50)	(9.69)
8	Plan assets at the end of the year	765.39	729.65
V	**Weighted Average duration of Defined Benefit Obligation**	10 years	10 years

VI The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2019	As at December 31, 2018
Debt instruments		
Government securities	29%	37%
Debentures and bonds	68%	56%
Equity	3%	7%
	100%	100%

VII The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2019	As at December 31, 2018
Discounting rate	6.80%	7.45%
Guaranteed interest rate	8.65%	8.55%
Yield on assets based on the Purchase price and outstanding term of maturity	8.60%	9.20%

VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

₹ Crore

Particulars	As at December 31, 2019		As at December 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.43)	1.45	(5.31)	22.84
Interest rate guarantee (1% movement)	42.20	(19.18)	22.48	(5.31)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

IX The Group expects to contribute ₹ 27.00 Crore (Previous year - ₹ 24.00 Crore) to trust managed Provident Fund in next year.

NOTE 39. Leases

Refer Note 1 (xxiii) for accounting policy on Leases

Operating lease commitments — Group as lessee

The Group has entered into operating leases on certain assets (grinding facility, godowns, land, flats, office premises and other premises). The Group has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases. At the expiry of the lease term, the Group has an option either to return the asset or extend the term by giving notice in writing.

Operating lease payment recognised in the Consolidated Statement of Profit and Loss amounts to ₹ 133.28 Crore (Previous year - ₹ 127.80 Crore) .

Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ Crore

		As at December 31, 2019	As at December 31, 2018
(i)	Not later than one year	35.00	53.93
(ii)	Later than one year and not later than five years	98.81	57.91
(iii)	Later than five years	40.80	28.55
		174.61	**140.39**

The Group has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Group has evaluated such arrangement and identified them in the nature of lease as the group takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output. The Group has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Group has concluded that it is impracticable to separate the lease payments from other payments made under this arrangement reliably and hence all payments under this arrangement are considered as lease payments. There are no minimum lease payments under such arrangement.

Finance lease

The Group has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments hence other disclosures are not given.

NOTE 40. Capital and other Commitments

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

₹ Crore

		As at December 31, 2019	As at December 31, 2018
A)	Estimated value of contracts on capital account remaining to be executed (net of advance)	460.97	159.17
B)	For commitments relating to lease arrangements, refer note - 39		

NOTE 41. Contingent liabilities not provided for

Refer Note 1 (viii) for accounting policy on Contingent liabilities

(A) Claims against the Company not acknowledged as debt:

Disputed claims / levies in respect of:

₹ Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2019	As at December 31, 2018
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,619.39	1,487.98
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts (Refer Note - 21)	598.00	500.63
Service Tax - The Finance Act, 1994	Refer note c below	90.88	87.66
	Other service tax disputes	-	11.39
Claims for mining lease rent	Refer note d below	212.22	73.46
Sales Tax Act/ Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities	20.52	20.52
	Other Sales tax matters	9.65	14.90
Customs Duty - The Customs Act, 1962	Demand of duty on import of Steam Coal during 2001 to 2013 classifying it as Bituminous Coal	30.97	30.97
Other Statutes/ Other Claims	Claims by suppliers regarding supply of raw material and other claim	35.89	39.87
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court.	9.80	14.70
	Various other cases pertaining to claims related to Railways, labour laws, etc	13.98	18.09
Mines and Minerals (Development and Regulation) Act	The Group has received a demand notice from DMG Department for Limestone extracted in the period from 1962 to 1986 without payment of Royalty. The Group has filed an appeal with Additional Director of Mines, Department of Mines and Geology	19.87	19.87
	Demand of additional Royalty on Limestone based on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made by the Company based on the actual quantity of limestone extracted. Matter is pending at Madras High Court	7.93	7.93
	Other royalty demand	0.99	0.99
	TOTAL	**2,670.09**	**2,328.96**

In respect of above matters, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

a) In 2012, the Competition Commission of India ('CCI') issued an Order 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 ₹ 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with section 3(3)(a) and Sec 3 (3)(b) of the Competition Act and imposed a penalty of ₹ 1,147.59 Crore on the Company.

The Company had appealed against the penalty to the Competition Appellate Tribunal ('COMPAT') which granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2019 is ₹ 436.48 Crore (Previous Year - ₹ 305.07 Crore). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the Consolidated Financial Statements."

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹ 35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for a successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the Consolidated Financial Statements.

c) The dispute is regarding whether the "place of removal" is the "factory gate / Depot" or "destination point of customer" for availment of Service Tax Credit on "Outward Transportation cost" of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not "Input Service" and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assessee relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s. Ultratech Cement (Chattishgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/S Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court remanded to High Court for deciding whether decision of Ultratech (Karnataka State) will be applicable or not.

Based on the advice of the external legal counsel, conflicting decisions of various courts and CBIC Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company has received demand notice dated May 10, 2013 from the Government of Tamil Nadu, and an Order dated August 22, 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 01.04.1997 to 31.03.2014 and 01.04.2014 to 31.03.2019, amounting to ₹ 73.46 Crore and ₹ 138.76 Crore respectively for use of the Government land for mining, which land the Company occupies on the basis of the Mining Leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the company to pay compensation for use of Government land. Company has challenged the demands by way of Revision under the Mineral Concession Rules and in Writ Petitions before the Hon'ble High Court of Tamil Nadu at Chennai, and in a Petition has obtained an order restraining the State from taking coercive steps.

Pending the same the High Court of Tamil Nadu in the Company Writ Petitions of other cement manufacturers viz Dalmia Cements, Madras Cements and others has passed a judgment dated November 20, 2019 allowing annual compensation to be collected by the state under rule 72 of MCR in respect of Government Poramboke Land. The Company has filed a Writ Appeal against the Judgment dated November 20, 2019 passed in Dalmia Cements, Madras Cements and others.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

NOTE 42. Material demands and disputes relating to assets and liabilities considered as remote by the Group

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ₹ 56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64 Crore (tax of ₹ 56 Crore and interest of ₹ 8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 Crore representing part of the One Time Lumpsum capital subsidy claim of ₹ 15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received only ₹ 64 Crore out of total ₹ 235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding.

The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP will be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore (Previous Year - ₹ 133 Crore) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company is of the view and has been advised legally, that the merits are strongly in its favour.

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision) (Previous Year - ₹ 56.66 Crore), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore (Previous Year - ₹ 115.62 Crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) 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 at that 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 also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore (Previous year - ₹ 82.37 Crore) was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand is unlikely to sustain under law.

f) The Company was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period. The Company received demand from District Mining Officer for ₹ 881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the Company to commence mining operations after depositing ₹ 48 Crore, being assessed value of materials dispatched between April 2014 to Sep 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.

The Company's assessment coupled with legal advice is that the case shall not stand the test of judicial scrutiny basis the automatic renewal.

NOTE 43. Related Party Disclosure

(A)	Names of the Related parties where control exists:	Nature of Relationship
1	LafargeHolcim Ltd, Switzerland	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	OneIndia BSC Private Limited	Joint venture Company
5	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	**Others - With whom transactions have been taken place during the current and/or previous year:**	
(a)	**Names of other Related parties**	**Nature of Relationship**
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Technology (Singapore) Pte Ltd, Singapore	Fellow Subsidiary
4	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (upto January 31,2019)
5	Holcim Services (South Asia) Limited	Fellow Subsidiary
6	Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
7	Holcim Philippines, Inc, Philippines	Fellow Subsidiary
8	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
9	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
10	LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
11	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
12	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
13	Dirk India Private Limited	Fellow Subsidiary
14	Lafarge SA, France	Fellow Subsidiary
15	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
17	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).

(b)	Name of the Related Parties:	Nature of Relationship
1	Mr. Neeraj Akhoury	Managing Director & CEO
2	Mr. Sunil K. Nayak	Chief Financial Officer (upto July 31, 2019)
3	Ms. Rajani Kesari	Chief Financial Officer (w.e.f. August 01, 2019)
4	Mr. Ramaswami Kalidas	Company Secretary (upto September 26, 2019)
5	Mr. Rajiv Choubey	Company Secretary (w.e.f. September 26, 2019)
6	Mr. N S Sekhsaria	Chairman, Non Executive / Non Independent Director
7	Mr. Jan Jenisch	Deputy Chairman, Non Executive / Non Independent Director
8	Mr. Martin Kriegner	Non Executive / Non Independent Director
9	Mr. Shailesh Haribhakti	Independent Director
10	Mr. Sushil Kumar Roongta	Independent Director
11	Mr. Ashwin Dani	Independent Director (upto March 22, 2019)
12	Mr. Farrokh K Kavarana	Independent Director (upto March 22, 2019)
13	Mr. Vijay Kumar Sharma	Non Independent Director
14	Mr. Arunkumar R Gandhi	Independent Director (upto March 22, 2019)

(b)	Name of the Related Parties:	Nature of Relationship
15	Ms. Falguni Nayar	Independent Director
16	Mr. Christof Hassig	Non Independent Director
17	Mr. Damodarannair Sundaram	Independent Director (w.e.f. March 22, 2019)
18	Mr. Vinayak Chatterjee	Independent Director (w.e.f. March 22, 2019)
19	Mr. Sunil Mehta	Independent Director (w.e.f. March 22, 2019)

(C) Transactions with Joint Venture Companies

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Finished Goods**	**100.86**	**104.12**
	Aakaash Manufacturing Company Private Limited {Refer Note 47 (ii)}	100.86	104.12
2	**Sale of Finished Goods**	**12.52**	**14.57**
	Aakaash Manufacturing Company Private Limited	12.52	14.57
3	**Receiving of Services**	**27.15**	**29.00**
	OneIndia BSC Private Limited	27.15	29.00
4	**Dividend Received**	1.32	0.68
	Aakaash Manufacturing Company Private Limited	1.32	0.68
5	**Reimbursement of Expenses Received/Receivable**	**0.02**	**0.02**
	Aakaash Manufacturing Company Private Limited	0.02	0.02
6	**Reimbursement of Expenses Paid / Payable**	**-**	**0.47**
	OneIndia BSC Pvt Ltd.	-	0.47
7	**Other recoveries (Net)**	**2.80**	**2.11**
	Aakaash Manufacturing Company Private Limited	2.80	2.11

Outstanding balances with Joint venture Companies

₹ Crore

		As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**0.96**	**1.30**
	Aakaash Manufacturing Company Private Limited	0.96	1.30
2	**Outstanding balance included in Trade payables**	**16.33**	**21.92**
	Aakaash Manufacturing Company Private Limited	14.06	19.31
	OneIndia BSC Private Limited	2.27	2.61

(D) Transactions with Associate Companies

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Finished Goods**	**68.46**	**71.89**
	Alcon Cement Company Private Limited {Refer Note - 47 (i)}	68.46	71.89
2	**Purchase of Raw Materials**	**11.19**	**20.76**
	Asian Concretes and Cements Private Limited	11.19	20.76
3	**Sale of Unfinished Goods**	**20.78**	**26.40**
	Alcon Cement Company Private Limited {Refer Note - 47 (i)}	20.78	26.40
4	**Dividend Received**	**0.37**	**0.41**
	Alcon Cement Company Private Limited	0.37	0.41
5	**Receiving of Services**	**107.60**	**117.92**
	Asian Concretes and Cements Private Limited	107.60	117.92
6	**Reimbursement of Expenses Received/Receivable**	**13.47**	**14.71**
	Alcon Cement Company Private Limited	13.47	14.71
7	**Reimbursement of Expenses Paid/Payable**	**2.22**	**3.16**
	Alcon Cement Company Private Limited	1.67	2.62
	Asian Concretes and Cements Private Limited	0.55	0.54

Outstanding balances with Associate Companies

₹ Crore

		As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**6.81**	**8.99**
	Alcon Cement Company Private Limited	6.81	8.99
2	**Outstanding balance included in Trade payables**	**17.80**	**22.96**
	Asian Concretes and Cements Private Limited	14.69	19.27
	Alcon Cement Company Private Limited	3.11	3.69

(E) Details of Transactions relating to Ultimate Holding and Holding Companies

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Dividend paid**	**143.36**	**153.60**
	Ambuja Cements Limited	131.58	140.98
	Holderind Investments Limited	11.78	12.62
2	**Purchase of Raw materials**	**0.80**	**0.24**
	Ambuja Cements Limited	0.80	0.24
3	**Purchase of Finished /Unfinished goods**	**112.87**	**35.17**
	Ambuja Cements Limited	112.87	35.17
4	**Purchase of Stores & Spares**	**0.44**	**0.10**
	Ambuja Cements Limited	0.44	0.10
5	**Sale of Fixed Assets**	**-**	**19.23**
	Ambuja Cements Limited	-	19.23
6	**Sale of Finished /Unfinished Goods**	**101.39**	**23.59**
	Ambuja Cements Limited	101.39	23.59
7	**Sale of Raw Material**	**1.44**	**8.34**
	Ambuja Cements Limited	1.44	8.34
8	**Sale of Stores & Spares**	**1.17**	**-**
	Ambuja Cements Limited	1.17	-
9	**Sale of Scrap**	**0.11**	**-**
	Ambuja Cements Limited	0.11	-
10	**Rendering of Services**	**42.46**	**47.66**
	Ambuja Cements Limited	42.46	47.66
11	**Receiving of Services**	**32.71**	**47.47**
	Ambuja Cements Limited	32.71	47.47
12	**Reimbursement of Expenses Received / Receivable**	**0.04**	**0.04**
	Ambuja Cements Limited	0.01	0.04
	LafargeHolcim Ltd	0.03	-
13	**Reimbursement of Expenses Paid / Payable**	**9.74**	**-**
	Ambuja Cements Limited	9.74	-

Outstanding balances with Ultimate Holding and Holding Companies

₹ Crore

		As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**29.05**	**15.61**
	Ambuja Cements Limited	29.02	15.61
	LafargeHolcim Ltd	0.03	-
2	**Outstanding balance included in Other current assets - advances**	**0.04**	**0.04**
	Ambuja Cements Limited	0.04	0.04
3	**Outstanding balance included in Trade payables**	**43.72**	**18.25**
	Ambuja Cements Limited	43.72	18.25

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

(F) Details of Transactions relating to Fellow Subsidiary Companies / Joint Venture of Holding Company

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Purchase of Raw materials**	**238.94**	**288.37**
	LafargeHolcim Energy Solutions SAS	237.84	285.04
	Counto Microfine Products Private Limited	1.10	3.28
	Dirk India Private Limited	-	0.05
2	**Sale of Finished /Unfinished Goods**	**0.11**	**0.16**
	Counto Microfine Products Private Limited	0.11	0.16
3	**Technology and Know-how fees**	**152.33**	**144.46**
	Holcim Technology Ltd	152.33	144.46
4	**Receiving of Services**	**64.76**	**75.05**
	Holcim Services (South Asia) Limited	59.53	74.66
	Holcim Group Services Ltd	0.33	0.39
	Lafarge SA	2.79	-
	Holcim Technology Ltd	2.11	-
5	**Rendering of Services**	**11.05**	**11.01**
	Holcim Services (South Asia) Limited	9.33	4.75
	Lafarge SA	1.72	2.62
	Holcim Group Services Ltd	-	2.19
	Holcim Technology Ltd	-	1.45
6	**Reimbursement of Expenses Received / Receivable**	**2.69**	**0.77**
	Lafargeholcim Energy Solutions SAS	0.76	0.17
	LafargeHolcim Trading Pte Ltd	1.92	0.13
	LafargeHolcim Bangladesh Ltd	0.01	0.01
	Holcim Technology Ltd	-	0.45
	Counto Microfine Product Private Limited	-	0.01

Outstanding balances with Fellow Subsidiary Companies / Joint Venture of Holding Company

₹ Crore

		As at December 31, 2019	As at December 31, 2018
1	**Outstanding balance included in Trade receivables**	**11.89**	**11.82**
	Holcim Services (South Asia) Limited	5.93	4.75
	Lafarge SA	2.22	3.07
	Holcim Group Services Ltd	-	2.19
	Holcim Technology Ltd	3.37	1.45
	PT Holcim Indonesia Tbk	0.15	0.15
	Lafarge Holcim Trading Pte Limited	0.13	0.13
	Counto Microfine Product Pvt Ltd	0.06	0.03
	Holcim Philippines, Inc	-	0.02
	Holcim Cement (Bangladesh) Ltd	0.01	0.01
	Holcim Technology (Singapore) Pte Ltd	-	0.01
	LafargeHolcim Bangladesh Ltd	0.02	0.01
2	**Outstanding balance included in Trade payables**	**49.84**	**159.80**
	LafargeHolcim Energy Solutions SAS	5.14	124.50
	Holcim Technology Ltd	34.54	33.70
	Counto Microfine Products Private Limited	0.20	0.63
	Holcim Services (South Asia) Limited	9.92	0.62
	Holcim Group Services Ltd	0.04	0.35

(H) Details of Transactions with Key Management Personnel

₹ Crore

		For the year ended December 31, 2019	For the year ended December 31, 2018
1	**Remuneration***	**13.56**	**11.52**
	Mr. Neeraj Akhoury	8.90	7.13
	Mr. Sunil K. Nayak	1.95	3.36
	Mr. Ramaswami Kalidas	0.84	1.03
	Ms. Rajani Kesari	1.49	-
	Mr. Rajiv Choubey	0.38	-
	Breakup of Remuneration	**13.56**	**11.52**
	Short term employee benefits	12.53	11.05
	Post employment benefits (including defined contribution and defined benefits)*	0.86	0.47
	Other long term benefits*	-	-
	Employee Share based payments (Refer Note - 55)	0.17	-

2 Other Payment to Key Management Personnel

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Commission Payable	**3.19**	**3.19**
Mr. N S Sekhsaria	0.50	0.50
Mr. Arunkumar Gandhi	0.10	0.45
Mr. Martin Kriegner#	-	-
Mr. Shailesh Haribhakti	0.36	0.36
Mr. Sushil Kumar Roongta	0.36	0.36
Mr. Ashwin Dani	0.08	0.36
Mr. Farrokh Kavarana	0.08	0.36
Mr. Vijay Kumar Sharma	0.20	0.20
Mr. Jan Jenisch	0.20	0.20
Ms. Falguni Nayar	0.20	0.20
Mr. Christof Hassig	0.20	0.20
Mr. Sunil Mehta	0.28	-
Mr. Damodarannair Sundaram	0.35	-
Mr. Vinayak Chatterjee	0.28	-
Sitting Fees	**0.47**	**0.53**
Mr. N S Sekhsaria	0.04	0.04
Mr. Arunkumar Gandhi	0.01	0.08
Mr. Martin Kriegner#	-	0.04
Mr. Shailesh Haribhakti	0.07	0.07
Mr. Sushil Kumar Roongta	0.09	0.09
Mr. Ashwin Dani	0.01	0.06
Mr. Farrokh Kavarana	0.02	0.07
Mr. Vijay Kumar Sharma	0.03	0.01
Mr. Jan Jenisch	0.01	0.01
Ms. Falguni Nayar	0.03	0.03
Mr. Christof Hassig	0.02	0.03
Mr. Sunil Mehta	0.04	-
Mr. Damodarannair Sundaram	0.05	-
Mr. Vinayak Chatterjee	0.05	-

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

#Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on October 17, 2018.

The Company makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd"" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 25.64 Crore (Previous Year - ₹ 22.71 Crore).

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Company contributed ₹ 0.80 Crore (Previous Year - ₹ 21.00 Crore).

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2019, the Company has not recorded any loss allowances for trade receivables from related parties (Previous year - Nil).

NOTE 44. Segment Reporting

Refer Note 1 (xxiv) for accounting policy on Segment Reporting.

For management purposes, the Group is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments, as follows:

(a) **Cement -** Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc, in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

(b) **Ready Mix Concrete -** Ready Mix Concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2019

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2019	**Year ended December 31, 2018**	**Year ended December 31, 2019**	**Year ended December 31, 2018**	**Year ended December 31, 2019**	**Year ended December 31, 2018**
REVENUE						
External sales	13,870.08	13,171.09	1,473.03	1,306.38	15,343.11	14,477.47
Inter-segment sales	190.23	216.00	1.58	2.76	191.81	218.76
Other operating revenue	306.50	318.08	7.94	6.07	314.44	324.15
	14,366.81	13,705.17	1,482.55	1,315.21	15,849.36	15,020.38
Less : Elimination	190.23	216.00	1.58	2.76	191.81	218.76
Total revenue	**14,176.58**	**13,489.17**	**1,480.97**	**1,312.45**	**15,657.55**	**14,801.62**
OPERATING EBITDA	2,259.62	1,914.29	153.16	133.83	2,412.78	2,048.12
Segment result	**1,703.52**	**1,328.37**	**133.21**	**116.71**	**1,836.73**	**1,445.08**
Unallocated corporate Income net of unallocated expenditure					18.55	37.58
Operating Profit					**1,855.28**	**1,482.66**
Finance Costs					(86.27)	(87.77)
Interest and Dividend income					269.49	104.90
Share of profit from associates and Joint ventures					14.02	10.32
Tax expenses (Refer Note - 21)					(674.98)	10.51
Profit after tax					**1,377.54**	**1,520.62**
Capital expenditure (including capital work-in-progress and capital advances)	498.26	477.29	27.44	47.45	525.70	524.74
Depreciation and Amortisation	587.51	586.69	18.93	16.53	606.44	603.22
Other non-cash expenses	11.10	11.64	18.37	3.57	29.47	15.21
Segment assets	10,979.56	11,687.19	470.27	454.07	11,449.83	12,141.26
Unallocated Corporate assets					5,686.15	3,914.69
Total assets					**17,135.98**	**16,055.95**
Segment liabilities	3,806.50	4,078.40	355.15	315.23	4,161.65	4,393.63
Unallocated Corporate liabilities					1,427.40	1,127.39
Total liabilities					**5,589.05**	**5,521.02**

Sales from external customer

₹ Crore

	For the year ended December 31, 2019	**For the year ended December 31, 2018**
Within India	15,341.39	14,472.37
Outside India *	1.72	5.10
TOTAL	**15,343.11**	**14,477.47**

No single customer contributed 10% or more to the Group's revenue for the year ended December 31, 2019 and December 31, 2018.

* Sales outside India are in functional currency.

All the non current assets are located within India

Notes to the Consolidated Financial Statements

for the year ended December 31, 2019

Cash flows arising from the reportable segments

₹ Crore

	Cement		Ready Mix Concrete		Unallocated		Total	
	As at December 31, 2019	**As at December 31, 2018**	**As at December 31, 2019**	**As at December 31, 2018**	**As at December 31, 2019**	**As at December 31, 2018**	**As at December 31, 2019**	**As at December 31, 2018**
Net Cash flow from operating activities	2,684.85	1,587.71	17.00	57.72	(447.14)	(527.89)	2,254.71	1,117.54
Net cash used in investing activities	(467.23)	(449.77)	(27.68)	(47.34)	173.25	132.67	(321.66)	(364.44)
Net cash used in financing activities	-	-	-	-	(374.16)	(380.46)	(374.16)	(380.46)

NOTE 45. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006*

₹ Crore

		As at December 31, 2019	**As at December 31, 2018**
a.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	Principal amount due to micro and small enterprises (Not overdue)	11.27	8.02
	Interest due on above		
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 46.

ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment of Supreme Court dated August 25, 2014 read with its order dated September 24, 2014. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated March 23, 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to March 31, 2014. The Hon'ble Delhi High Court issued its judgment on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim has been filed with Ministry of Coal for reimbursement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 47.

(i) The Group has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹ 16.24 Crore (Previous year - ₹ 20.63 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease. (Refer Note - 39)

(ii) The Group has arrangement with a Joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready Mix Concrete to customer of ₹ 85.34 Crore (Previous year - ₹ 87.91 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTE 48. Capitalisation of expenditure

During the year, the Group has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

₹ Crore

	2019	2018
Balance at the beginning of the year	4.99	2.80
Expenditure during construction for projects:		
Employee benefits expense*	11.68	1.26
Rates and taxes **	1.86	-
Miscellaneous expenses **	16.96	3.15
TOTAL	**35.49**	**7.21**
Less : Capitalised during the year	1.00	2.22
Balance at the end of the year	**34.49**	**4.99**

* Employee benefit expenses represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.

** Miscellaneous expense and rates and taxes are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2019

NOTE 49. Financial Instruments

(A) Categories of financial instruments

₹ Crore

Particulars	Note No.	Carrying value As at December 31, 2019	Carrying value As at December 31, 2018
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Equity investments		-	-
Cash and cash equivalents - Mutual funds	12	757.51	722.99
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	1,492.98	936.10
Other Cash and cash equivalents (Balances with banks)	12	2,242.04	1,274.12
Bank balances other than Cash and Cash Equivalents	13	155.20	163.77
Investments in Bonds	5	3.70	3.70
Security deposits (Current and Non-Current)	6 & 14	154.10	225.94
Loans and Other financial assets (Current and Non-Current)	6, 7, 14 & 15	757.29	577.51
Trade receivables	11	626.65	867.37
3. Measured at fair value through Other Comprehensive Income		-	-
TOTAL		**6,189.47**	**4,771.50**

Particulars	Note No.	Carrying value As at December 31, 2019	Carrying value As at December 31, 2018
Financial liabilities			
1. Measured at FVTPL			
Foreign currency forward contract	22	-	1.19
2. Measured at amortised cost			
Trade payables		1,474.98	1,926.26
Security deposits and retention money	22	711.49	553.55
Other financial liabilities	22	226.01	220.80
TOTAL		**2,412.48**	**2,701.80**

The management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

₹ Crore

Particulars	For the Year ended December 31, 2019	For the Year ended December 31, 2018
Financial assets measured at amortised cost		
Interest income	(169.98)	(104.80)
Impairment losses on trade receivables (including reversals of impairment losses)	21.51	5.39
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(21.64)	(35.91)
Net gain on fair valuation of current financial assets	(0.43)	(0.91)
Gain on sale of non - current financial assets	-	-
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	4.46	3.23
Interest expenses on deposits from dealers	33.45	28.89
Derivatives - Foreign exchange forward contracts		
Net (gain) / loss on foreign currency forward contract	(0.94)	2.12
Net gain recognised in the Consolidated Statement of Profit and Loss	**(133.57)**	**(101.99)**

(C) Fair Value Hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	757.51	-	-	757.51
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-
As at December 31, 2018				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	722.99	-	-	722.99
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	1.19	-	1.19

During the reporting period ending December 31, 2019 and December 31, 2018, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Quoted bid prices in an active market - Unadjusted Quoted price in principle market in which equity instrument is actively traded.

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Other financial assets and liabilities

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 50. Financial risk management objectives and policies

Financial Risk Evaluation and Management is an ongoing process within the Group. The Group has a robust risk management framework to identify, monitor, mitigate and minimize risks arising from financial instruments.

The Group is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Group's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Group's financial performance.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. Check on counterparties basis credit rating 4. Number of days overdue 5. Eligibility under State Investment Promotion Schemes for incentives
Liquidity Risk	Trade payables, Deposits from dealers, Foreign exchange Forward contract and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk- Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Forward foreign exchange contract
Market Risk- Commodity price risk	Movement in prices of commodities mainly Imported Coal and Pet Coke	Sensitivity analysis	1. Fuel mix optimisation 2. Longer term contracts
Market Risk- Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

Financial assets other than trade receivables

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with it's policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Group's Board of Directors.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Group result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Group's net sales. Therefore, the Group does not expect any material risk on account of non-performance by any of its counterparties.

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Neither past due nor impaired	219.47	318.80
Past due not impaired		
- 1-180 days	375.02	499.49
- more than 180 days	32.16	49.08
Past due impaired		
- 1-180 days	1.96	0.25
- more than 180 days	39.17	24.40
TOTAL	**667.78**	**892.02**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Group compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The following table summarizes the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	₹ Crore
As at January 01, 2018	29.03
Provided during the year	7.54
Amounts utilised	(9.77)
Reversals of Provision	**(2.15)**
As at December 31, 2018	24.65
Provided during the year	22.75
Amounts utilised	(5.03)
Reversals of Provision	(1.24)
As at December 31, 2019	**41.13**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Group assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Group assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group has large investments in short term liquid funds which can be redeemed at a very short notice and hence carry negligible liquidity risk.

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

₹ Crore

	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2019				
Other financial liabilities*	937.50	970.92	-	970.92
Foreign currency forward contract	-		-	-
Trade payables	1,474.98	1,474.98	-	1,474.98
	2,412.48	**2,445.90**	**-**	**2,445.90**

	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2018				
Other financial liabilities*	774.35	806.09	-	806.09
Foreign currency forward contract	1.19	1.19	-	1.19
Trade payables	1,926.26	1,926.26	-	1,926.26
	2,701.80	**2,733.54**	**-**	**2,733.54**

*Other financial liabilities includes deposits received from customers amounting to ₹ 641.59 Crore (Previous year - ₹ 499.77 Crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risks, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans, investments, deposits and trade payables.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

₹ Crore

As at December 31, 2019	USD	EUR	CHF	GBP	SEK	JPY
Trade Payable	4.06	2.13	0.03	0.01	0.81	0.02
Foreign exchange derivative contracts	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**4.06**	**2.13**	**0.03**	**0.01**	**0.81**	**0.02**

As at December 31, 2018	USD	EUR	CHF	GBP
Trade Payable	130.22	2.13	0.02	0.04
Foreign exchange derivative contracts	(83.85)	-	-	-
Net exposure to foreign currency risk (liabilities)	46.37	2.13	0.02	0.04

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

₹ Crore

Particulars	As at December 31, 2019		As at December 31, 2018	
	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	0.20	(0.20)	2.32	(2.32)
EUR	0.11	(0.11)	0.11	(0.11)
SEK	0.04	(0.04)	-	-
TOTAL	**0.35**	**(0.35)**	**2.43**	**(2.43)**

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Market Risk- Commodity price risk

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the Energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Group take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the central procurement team.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the interest rate risk arises primarily from security deposit from dealers. The Group has not used any interest rate derivatives.

The Group has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/ lower the Profit for the year ended December 31, 2019 would decrease / increase by ₹ 3.18 Crore (Previous year - ₹ 2.50 Crore).

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2019

NOTE 51. Capital management

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Group is a Zero debt Group with no long-term borrowings. The Group is not subject to any externally imposed capital requirements.

₹ Crore

	Note No.	As at December 31, 2019	As at December 31, 2018
Total Debt		-	-
Less: Cash and cash equivalents	12	(4,492.53)	(2,933.21)
Net Debt		(4,492.53)	(2,933.21)
Equity attributable to owners of the parent	18 & 19	11,543.77	10,531.90
Debt to Equity (Net)		NA	NA

NOTE 52.

Additional information as required by Paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2019	As at December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019
Parent								
ACC Limited	100.21	11,566.93	98.36	1354.79	99.50	(48.98)	98.32	1305.81
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.17	20.13	0.18	2.42	-	-	0.18	2.42
ACC Mineral Resources Limited	(0.35)	(40.29)	0.50	6.94	-	-	0.52	6.94
Lucky Minmat Limited	(0.29)	(33.67)	(0.03)	(0.47)	-	-	(0.04)	(0.47)
National Limestone Company Private Limited	(0.08)	(8.68)	(0.02)	(0.27)	-	-	(0.02)	(0.27)
Singhania Minerals Private Limited	(0.02)	(2.40)	0.01	0.11	-	-	0.01	0.11
Non-controlling interests in all subsidiaries	(0.03)	(3.16)	(0.01)	(0.13)	-	-	(0.01)	(0.13)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2019	As at December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.07)	(8.03)	0.07	0.98	0.12	(0.06)	0.07	0.92
Asian Concretes and Cements Private Limited	0.37	43.24	0.87	11.99	-	-	0.90	11.99
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.04	4.46	0.09	1.29	0.28	(0.14)	0.09	1.15
Aakaash Manufacturing Company Private Limited	0.05	5.24	(0.02)	(0.24)	0.10	(0.05)	(0.02)	(0.29)
TOTAL	**100.00**	**11,543.77**	**100.00**	**1,377.41**	**100.00**	**(49.23)**	**100.00**	**1,328.18**

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2019.

Additional information as required by Paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2018	As at December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018
Parent								
ACC Limited	100.43	10,577.35	98.99	1505.20	100.20	(4.85)	98.99	1500.35
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.15	15.70	0.18	2.77	-	-	0.18	2.77
ACC Mineral Resources Limited	(0.45)	(47.23)	0.19	2.85	-	-	0.19	2.85

Notes to the Consolidated Financial Statements

for the year ended December 31, 2019

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2018	As at December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018
Lucky Minmat Limited	(0.32)	(33.19)	(0.03)	(0.48)	-	-	(0.03)	(0.48)
National Limestone Company Private Limited	(0.08)	(8.06)	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Singhania Minerals Private Limited	(0.02)	(2.47)	0.01	0.11	-	-	0.01	0.11
Non-controlling interests in all subsidiaries	(0.03)	(3.03)	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.08)	(8.58)	0.02	0.32	-	-	0.02	0.32
Asian Concretes and Cements Private Limited	0.30	31.25	0.46	6.92	-	-	0.46	6.92
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.03	3.31	0.10	1.59	0.21	(0.01)	0.10	1.58
Aakaash Manufacturing Company Private Limited	0.07	6.85	0.10	1.49	(0.41)	0.02	0.10	1.51
TOTAL	**100.00**	**10,531.90**	**100.00**	**1,520.47**	**100.00**	**(4.84)**	**100.00**	**1,515.63**

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2018.

NOTE 53. Dividend distribution and proposed dividend

₹ Crore

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2018 ₹ 14 per share (Previous year -₹ 15 per share for 2017)	262.90	281.68
Dividend distribution tax on final dividend	54.04	57.90
	316.94	**339.58**
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2019: ₹ 14 per share (previous year - ₹ 14 per share)	262.90	262.90
Dividend distribution tax on proposed dividend *	-	54.04
	262.90	**316.94**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend distribution tax thereon) as at December 31.

* Dividend Distribution Tax is abolished with effect from April 01, 2020

NOTE 54. Goodwill on consolidation

Movement in Goodwill on consolidation

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Carrying amount as at beginning of the year	15.57	15.57
Impairment during the year	-	-
Net carrying value as at end of the year	**15.57**	**15.57**

Goodwill of ₹ 15.57 Crore (Previous year - ₹ 15.57 Crore) relates to acquisition of a business of subsidiary companies. For the purpose of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGUs) :

₹ Crore

	As at December 31, 2019	As at December 31, 2018
Lucky Minmat Limited (LML)	6.42	6.42
National Limestone Company Private Limited (NLCPL)	5.38	5.38
Singhania Minerals Private Limited (SMPL)	3.28	3.28
Bulk Cement Corporation (India) Limited (BCCI)	0.49	0.49
TOTAL	**15.57**	**15.57**

Of the above CGUs, LML, NLCPL and SMPL are engaged in the business of extracting of limestone. BCCI is in the business of handling of cement.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

As at December 31, 2019, the cash flows are estimated over the life of respective mines.

Following are the key assumptions considered for value in use calculation:

1. Production of mines is estimated as per the production schedule in the mining plans submitted to the regulatory authorities.
2. Limestone is a commodity for which there is no market existing. Average selling price of the limestone considered based on the information available from the Indian Bureau of Mines ("IBM"). Expected increase in selling price is considered at 3% every year.
3. The cost of production is given an inflation effect of 4% every year for first five years and 3% every year thereafter and royalty rate is increased by 10% in every five year.
4. Weighted average cost of capital (WACC) estimated as 14.80%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Based on the Group's assessment there is no impairment of goodwill.

NOTE 55. Employee share based payments

Description of plan - LafargeHolcim Performance Share Plan

LafargeHolcim Ltd (Ultimate Holding Company) set up a performance share plan. Performance shares are granted to executives and senior management for their contribution to the continuing success of the business. These shares will be delivered after three year vesting period following the grant date and are subject to internal performance conditions.

9,000 performance shares at a fair value of ₹ 3,405 per share were granted in 2019. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC). During the year, ₹ 0.63 Crore is charged to the Consolidated Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent.

Fair value of shares granted is determined based on the estimated achievement of LafargeHolcim Earnings per Share and Return on Invested Capital.

NOTE 56. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FALGUNI NAYAR
Director
DIN: 00003633

RAJANI KESARI
Chief Financial Officer

SHAILESH HARIBHAKTI
Director
DIN: 00007347

SUNIL MEHTA
Director
DIN: 00065343

RAJIV CHOUBEY
Company Secretary
ACS:13063
Mumbai, February 07, 2020

VINAYAK CHATTERJEE
Director
DIN: 00008933

Consolidated Net Profit
for the year ended December 31, 2019

₹ Crore

Particulars		2019		2018
ACC's Net Profit			1,358.91	1,506.63
Add:	Pro-rata share of profits / (losses) of subsidiaries -			
	Bulk Cement Corporation (India) Limited (BCCI)	2.42		2.77
	ACC Mineral Resources Limited	6.94		4.32
	Lucky Minmat Limited	(0.48)		(0.49)
	National Limestone Co. Pvt. Limited	(0.39)		(0.23)
	Singhania Mineral Private Limited	0.05		0.04
			8.54	6.41
Add:	Pro-rata share of profit of Joint ventures and Associates		14.02	10.32
Less:	Minority Interest of Subsidiary (BCCI)		0.13	0.15
Less:	Dividend received from Associates and Joint ventures		1.69	1.09
Less:	Deferred tax on undistributed profit of Associate and Joint venture		2.24	1.66
Add:	Other adjustments (Net)		-	0.01
	Profit attributable to Owners of the Company		**1,377.41**	**1,520.47**

Consolidated Equity
as at December 31,2019

₹ Crore

Particulars		2019		2018
ACC's Equity			11,521.28	10,527.66
Add:	Adjustment for impairment of investments (AMRL)		57.96	57.96
Add:	Net worth as per Balance Sheet of Subsidiary Companies -			
	Bulk Cement Corporation (India) Limited	57.74		55.32
	ACC Mineral Resources Limited	81.66		74.72
	Lucky Minmat Limited	(1.99)		(1.51)
	National Limestone Co. Pvt. Limited	0.06		0.45
	Singhania Mineral Private Limited	(0.35)		(0.40)
		137.12		**128.58**
Less:	Pro- rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies	3.16		3.03
	ACC's share in pre-acquisition Net Worth of Subsidiary Companies	157.90		157.90
			(23.94)	(32.35)
Less:	Amortisation of Goodwill in Subsidiary Companies		43.85	43.85
Less:	Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add:	Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		(8.03)	(8.58)
Add:	Increase in Net Worth of Asian Concretes & Cements Pvt. Ltd.		43.24	31.24
Add:	Increase in Net Worth of Aakaash Manufacturing Co. Pvt. Ltd.		5.25	6.86
Add:	Increase in Net Worth of OneIndia BSC Pvt. Ltd.		4.45	3.30
Less:	Deferred tax on undistributed profit from JVs and Associates		12.97	10.73
Less:	Other adjustments (Net)		0.15	0.14
Consolidated Equity			**11,543.77**	**10,531.90**

Statement containing extract of subsidiaries financial statements

₹ Crore

Particulars	Balance sheet as at December 31, 2019				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
ASSETS					
Non-current assets					
Fixed assets	28.56	-	0.04	1.31	0.18
Financial Assets					
Loans	0.25	-	1.26	6.33	-
Non current tax assets (Net)	1.70	0.22	0.06	0.77	-
Other non-current assets	0.14	-	0.08	0.12	-
Total Non-current assets	**30.65**	**0.22**	**1.44**	**8.53**	**0.18**
Current assets					
Inventories	0.62	-	0.36	-	-
Financial Assets					
Trade receivables	2.72	-	0.07	-	-
Cash and cash equivalents	33.56	0.44	0.07	75.04	0.53
Loans	-	-	0.01	-	-
Other Financial Assets	1.34	-	-	0.02	-
Other current assets	0.38	-	0.08	1.98	1.15
Total Current assets	**38.62**	**0.44**	**0.59**	**77.04**	**1.68**
TOTAL ASSETS	**69.27**	**0.66**	**2.03**	**85.57**	**1.86**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	33.64	3.25	2.00	121.95	0.52
Other Equity	24.10	(5.24)	(1.94)	(40.29)	(0.87)
Total Equity	**57.74**	**(1.99)**	**0.06**	**81.66**	**(0.35)**
Liabilities					
Non-current liabilities					
Provisions	-	-	-	-	0.97
Deferred tax liabilities (Net)	0.55	-	-	-	-
Total Non-current liabilities	**0.55**	**-**	**-**	**-**	**0.97**
Current liabilities					
Financial Liabilities					
Borrowing	-	0.09	1.62	-	0.70
Trade payables	4.25	-	-	3.91	0.20
Other financial liabilities	3.37	2.56	0.35	-	0.32
Other current liabilities	2.77	-	-	-	0.02
Current tax liabilities (Net)	0.59	-	-	-	-
Total Current liabilities	**10.98**	**2.65**	**1.97**	**3.91**	**1.24**
TOTAL EQUITY AND LIABILITIES	**69.27**	**0.66**	**2.03**	**85.57**	**1.86**

Statement containing extract of subsidiaries financial statements

₹ Crore

Particulars	Balance sheet as at December 31, 2018				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
ASSETS					
Non-current assets					
Fixed assets	22.56	-	0.05	5.97	0.20
Financial Assets					
Loans	0.25	-	1.09	6.57	-
Non current tax assets (Net)	1.56	0.21	0.12	0.07	-
Other non-current assets	0.10	-	-	0.15	-
Total Non-current assets	**24.47**	**0.21**	**1.26**	**12.76**	**0.20**
Current assets					
Inventories	0.47	-	0.36	-	
Financial Assets					
Trade receivables	3.87	-	-	-	0.02
Cash and cash equivalents	32.69	0.43	0.07	63.28	0.17
Loans	-	-	-	-	-
Other Financial Assets	3.71	-	-	0.64	-
Other current assets	0.02	-	0.01	2.07	1.01
Total Current assets	**40.76**	**0.43**	**0.44**	**65.99**	**1.20**
TOTAL ASSETS	**65.23**	**0.64**	**1.70**	**78.75**	**1.40**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	33.64	3.25	2.00	121.95	0.52
Other Equity	21.68	(4.76)	(1.55)	(47.23)	(0.92)
Total Equity	**55.32**	**(1.51)**	**0.45**	**74.72**	**(0.40)**
Liabilities					
Non-current liabilities					
Provisions	-	-	-	-	0.78
Deferred tax liabilities (Net)	0.75	-	-	-	-
Total Non-current liabilities	**0.75**	**-**	**-**	**-**	**0.78**
Current liabilities					
Financial Liabilities					
Borrowing	-	0.05	0.87	-	0.64
Trade payables	3.74	-	0.22	4.03	0.33
Other financial liabilities	1.75	2.10	0.09	-	-
Other current liabilities	3.28	-	0.07	-	0.05
Current tax liabilities (Net)	0.39	-	-	-	-
Total Current liabilities	**9.16**	**2.15**	**1.25**	**4.03**	**1.02**
TOTAL EQUITY AND LIABILITIES	**65.23**	**0.64**	**1.70**	**78.75**	**1.40**

Statement containing extract of subsidiaries financial statements

₹ Crore

Particulars	Profit and Loss account for the year ended December 31, 2019				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
Income					
Revenue from operations	18.78	-	-	0.09	3.63
Other income	2.13	0.01	-	6.96	-
Total Income	**20.91**	**0.01**	**-**	**7.05**	**3.63**
Expenses					
Cost of materials consumed	-	-	-	-	1.92
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
Employee benefits expense	2.14	-	-	-	-
Power and Fuel	2.67	-	-	-	-
Freight and Forwarding expense	-	-	-	-	-
Finance costs	-	0.01	0.12	-	0.11
Depreciation and amortization expense	3.45	-	-	0.01	0.01
Other expenses	9.47	0.48	0.27	0.68	1.54
Total expenses	**17.73**	**0.49**	**0.39**	**0.69**	**3.58**
Profit before tax	**3.18**	**(0.48)**	**(0.39)**	**6.36**	**0.05**
Tax expenses	0.76	-	-	(0.58)	-
Profit after Tax	**2.42**	**(0.48)**	**(0.39)**	**6.94**	**0.05**

Statement containing extract of subsidiaries financial statements

₹ Crore

Particulars	Profit and Loss account for the year ended December 31, 2018				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
Income					
Revenue from operations	18.76	0.01	0.06	-	5.03
Other income	2.56	-	-	4.30	-
Total Income	**21.32**	**0.01**	**0.06**	**4.30**	**5.03**
Expenses					
Cost of materials consumed	-	-	-	-	2.94
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
Employee benefits expense	2.52	-	-	-	-
Power and Fuel	2.71	-	-	-	-
Freight and Forwarding expense	-	-	-	-	-
Finance costs	-	-	0.08		0.11
Depreciation and amortization expense	3.55	-	-	0.01	0.02
Other expenses	9.15	0.50	0.21	0.42	1.92
Total expenses	**17.93**	**0.50**	**0.29**	**0.43**	**4.99**
Profit before tax	**3.39**	**(0.49)**	**(0.23)**	**3.87**	**0.04**
Tax expenses	0.62	-	-	(0.45)	-
Profit after Tax	**2.77**	**(0.49)**	**(0.23)**	**4.32**	**0.04**

Performance Data Tables

Indicators	unit	2019	GRI Ref
Raw materials- Cement			
Limestone	Million tonnes	26.8	301-1
Gypsum	Million tonnes	1.5	
Alternative Raw material	Million tonnes	0.48	
Slag	Million tonnes	2.78	
Fly-ash	Million tonnes	6.42	
Additives	Million tonnes	0.14	
Others (Bauxite, Iron ore etc.)	Million tonnes	0.8	
Lubricating oil	tonnes	268.5	
Grease	tonnes	105.7	
Weight of bags consumed	tonnes	38,969.2	
% recycled materials used	%	24.8	301-2
Raw materials- RMX			
Cement	tonnes	9,89,286.4	301-1
Slag	tonnes	76,401.0	
Flyash	tonnes	1,85,392.0	
Sand	tonnes	5,64,212.50	
Additives	tonnes	10,366.6	
Aggregates	tonnes	36,89,929.4	
Lubricating oil	tonnes	11.1	
Grease	tonnes	8.5	
Crushed rock fines	tonnes	22,56,850.0	
GHG Emissions - Cement			
Total CO_2 Emissions - Gross	tonnes	1,47,32,304.5	305-4
Total CO_2 Emissions - Net	tonnes	1,45,42,691.7	
Specific CO_2 Emissions - gross	kg/tonne of cement	512.0	
Specific CO_2 Emissions - net	kg/tonne cement	505	
Scope 1 emissions (cement+CPP)	tonnes	1,67,72,265.6	305-1
Scope 2 emissions	tonnes	5,56,073.3	305-2
Scope 3 emissions	tonnes	5,91,171.4	305-3
GHG Emissions - Concrete			
Scope 1 emissions concrete	tCO_2	4,706.9	305-1
Scope 2 emissions concrete	tCO_2	4,831.3	305-2
Scope 3 emissions concrete	tCO_2	58,915.0	305-3
Overall CO2 reduction achieved (scope-1 &2)			
On account of thermal savings(1)	tCO_2	0.0	305-5
On account of electrical savings(2)	tCO_2	26,821.9	
On account of clinker factor improvement(3)	tCO_2	1,24,321.6	

Note:

(1) CO_2 emission reductions on account of thermal energy is calculated value.

(2) CM Emission Factor (CO_2 Baseline Database for the Indian Power Sector – V 13 – June 2018 – by Central Electricity Authority) was used for calculating the CO_2 emissions on account of electrical savings.

(3) CO_2 emission reductions on account of clinker factor improvement is calculated by multiplfyoing amount of clinker saved with Kg CO_2 / Tonne of Clinker

Emissions*			
NOx	g/t clinker	1,293.4	305-7
	g/t cement	816.6	
	t	22,759.4	
SOx	g/t clinker	101.7	
	g/t cement	64.2	
	t	1,789.8	
Dust	g/t clinker	26.8	
	g/t cement	16.9	
	t	472.0	

* The emissions reported are based on Kiln stacks only

Indicators	unit	2019	GRI Ref
Energy Consumption - Cement			
Kiln Fuel Consumption			302-1
Coal+Petcoke	TJ	52,525.8	
Diesel oil	TJ	44.7	
Alternative fossil and mixed fuels*	TJ	2,329.9	
Biomass fuels	TJ	748.0	
Non-Kiln Fuel Consumption			
Coal+petcoke	TJ	23,472.7	
Diesel oil	TJ	11.8	
Alternative Fuels	TJ	125.5	
Alternative biomass fuels	TJ	224.4	
Electricity Purchased/Imported	MWh	6,92,162.0	
Energy consumption outside the organisation**	TJ	7,978.0	302-2
Specifc Power consumption upto and including clinker prod	kWh/ton clinker	68.6	302-3
Specifc Power consumption upto and including cement grinding	kWh/ton cementitious material	76.4	
Specifc Power consumption upto and including cement grinding, colony auxillaries	kWh/ton cementitious material	78.4	

* As per WBCSD protocol, alternative fossil fuel comprises of waste oil, waste tyres, plastics, solvents, impregnated saw dust etc
** Considered diesel as fuel consumed in transportation

Energy Consumption - RMX			
Diesel Oil	TJ	63.1	302-1
Electricity purchased	MWh	5,251.4	
Energy consumption outside the organisation*	TJ	795.1	

* Considered diesel as fuel consumed in transportation

Total Direct & Indirect Energy			
Total Power Generation	TJ	6,134.7	302-1
Total Renewable Energy Generation	Million Units	35.5	
% of RE in total power consumption	%	3.5	
Renewable Energy Certificates Purchased	MWh	1,14,565.0	
Power and fuel expenses	₹ Crores	3,134.0	
Thermal energy efficiency	MJ/ton clinker	3,128.5	
Electrical energy efficiency	Kwh/ton cement	79.6	
Waste type			
Hazardous waste			306-1
Waste oil	litres	81,949.0	
Grease	Tonnes	42.6	
Others (Biomedical waste, e waste, used batteries)	Tonnes	48.7	
Non-hazardous waste		0.0	
Steel scrap	tonnes	9,235.9	
Others	tonnes	5,050.8	
Filter bags	no	26,729.0	

Note:

1. Steel Scrap includes castings, waste steel, MS drums, wrapper scrap, iron scrap, grinding balls, HC lining plate, table liner, HC grinding media, etc.
2. Others includes waste cement bags, conveyor belts, wood, copper, plastic bags, electrical cables, empty glass bottles, aluminum, tyres, paper, PVC drums, HDPE wrapper, etc.
3. Above mentioned figures does not include scrap generated from dismantling of old Jamul plant

Indicators	unit	2019	GRI Ref
Total water withdrawal in cement operations			
Surface water	million m^3	2.0	303-1
Harvested rainwater	million m^3	2.5	
municipal water	million m^3	0.0	
Ground water	million m^3	0.2	
Percentage of sites with water recycling	%	100.0	303-3
Total Quantity of Water Treated and Reused Annually	%	17.3	
Total Quantity of Water Treated and Reused Annually	million m^3	0.8	
Total water withdrawal in CPP operation			
Surface water	million m^3	1.3	303-1
Harvested rainwater	million m^3	4.4	
municipal water	million m^3	0.0	
Ground water	million m^3	0.4	
Total water withdrawal - RMX*			
Surface water - RMX	million m^3	0	303-1
Harvested rainwater - RMX	million m^3	0	
Municipal water - RMX	million m^3	0.68	
Ground water - RMX	million m^3	0.33	

*Water withdrawal quantity pertains to those RMX plants where we have operational control.

Employees

Indicator	Unit	2019		GRI Ref
		Female	Male	
Total number of employees and their bifurcation				
Total Own Employees	No.	266	6377	102-8
Management Staff	No.	220	3624	
Non management staff	No.	46	2753	
Third party employees	No.	0	7378	
Total	No.	266	13755	
Age Wise - Own employee Break up				
<30	No.	104	1015	102-8
30-50	No.	135	3704	
>50	No.	27	1658	
Total	No.	266	6377	
Employee turnover - Age wise				
<30	No.	22	117	401-1
30-50	No.	21	313	
>50	No.	6	234	
Total	No.	49	664	
Employee turnover (%)	%	24%	12%	
Employee Hires - Age wise				
<30	No.	34	312	401-1
30-50	No.	0	90	
>50	No.	17	174	
Total	No.	51	576	
Parental Leaves				
No of maternal leave days	No.	180	0	401-3
Women took maternity leave	No.	11		
Women Reurned to work after maternal leave	No.	13		
Women still on after maternal leave	No.	2		
Women resigned after / during maternal leave		0		
Annual Performance				
Managers who Received annual performance review	No.	220	3624	404-3
Number of performance reviewes carried out	No	220	3624	

Employees

Indicator	Unit	2019		GRI Ref
		Female	Male	
Training Hours				
For Health and safety	No	432	24894	404-1, 205-2, 403-5,
For IT training	No	24	120	
For Management skills	No	1101	24255	
For Environment & sustainability	No	1	134	
Anti-corruption policies & procedures	No	14	870	
Other Trainings	No	717	30360	
Total hours of training		2288	80633	
No of training hours for management staff	No.	2186	62405	
No of training hours for non management staff	No.	102	18228	
Amount spent of training	₹	1,83,83,150		
Employee Compensation				
Ratio of basic salary of men to women	%	0.84		405-2
Management Staff (Base salary)	INR	9,58,315	7,79,293	
Management Staff (Base salary + bonus etc)	INR	10,25,397	8,33,844	
Non-Management Staff (Base)	INR	4,95,858	4,85,452	

Health & Safety

Indicator	Unit	2019		GRI Ref
		Female	Male	
Employee Fatalities (Nos.)	Nos	0	0	403-2
Fatality rates (directly employed)	#	0	0	
Contractor Fatalities (onsite)	Nos	0	4	
Contractors Fatalities (off site)	Nos	0	1	
Employee Lost Time Injury (LTI) - Permanent Emplyees	Nos	7		
Employee Lost Time Injury (LTI) - Contract employees	Nos	8		
Employee Lost Time Injury (LTI) - Total	Nos	15		
Employee Lost Time Injury Frequency Rate (LTIFR) - Permanent employees	#	0.47		
Employee Lost Time Injury Frequency Rate (LTIFR) - Contract employees	#	0.28		
Employee Lost Time Injury Frequency Rate (LTIFR) - Total	#	0.34		
Employee Injury Rate (IR) - Permanent employees	#	0.94		
Employee Injury Rate (IR) - Contract employees	#	0.76		
Employee Injury Rate (IR) - Total	#	0.92		
Employee Lost day rate (LDR) - Permanent employees	Nos	1.81		
Employee Lost day rate (LDR) - Contract employees	Nos	6.50		
Employee Lost day rate (LDR) - Total	Nos	4.83		
Number of Permanent employees undergone risk based health assessment	%	100	100	403-1
Number of Permanent employees undergone risk based health assessment	%	100	100	

Indicators	unit	2019	GRI Ref
Procurement			
Total No of suppliers	no	7,460.0	204-1
Indian suppliers (local)	no	7,435.0	
International suppliers	no	25.0	
% of suppliers identified as “High Risk” (for sustainability criteria aligned with Supplier Code of Conduct)	%	7.0	404-1, 308-1
Number of Suppliers screened through Self Assessment Questionnaire (socials, environmental aspects)	no	522.0	404-1, 308-1
Monetary value of payments made to suppliers	₹ Crores	12,796.0	204-1
Proportion of spending on local suppliers	%	98.3	204-1

Directors' Report

To

The Members

OneIndia BSC Private Limited

Your Directors' are pleased to present the 5th Directors' Report for the financial year ended December 31, 2019.

1. **KEY FINANCIAL HIGHLIGHTS:**

Particulars	For the year ending Dec 31, 2019 ₹ Lakhs	For the year ending Dec 31, 2018 ₹ Lakhs
Income	4383.06	4622.15
Expenditure	4034.25	4217.98
Profit/ (Loss) before Tax	348.81	404.17
Current Tax/Deferred Tax	20.99 /(111.65)	13.51 /(99.11)
Net Profit/ Loss	258.15	318.57
EPS	4.60	6.37
Other Comprehensive Income net of tax	(28.20)	(2.74)
Total Comprehensive Income	**229.95**	315.83

During the year under review your Company has reported a net profit of ₹ 258.15 Lakhs as compared to last year of ₹318.57 Lakhs.

2. **DIVIDEND:**

The Directors do not recommend any dividend for the financial year ended December 31, 2019.

3. **TRANSFER TO RESERVES:**

The Company has not transferred any amount of its profits earned during the financial year to the General Reserve.

4. **MATERIAL CHANGES AND COMMITMENTS:**

After successfully stabilizing processes migrated in 2018, being Treasury Operations and GST compliances pertaining to tax calculations and filing of Statutory Returns, in 2019, your company moved one step further and commenced value added services to its customers by migrating processes like Payroll Insourcing, Contact Centre Lead Generation, Insurance Benefits, Centralised Sales Order Creation. Your Company also migrated processes like Recruitment, Employee Life Cycle and Payroll for LH Global HUB Services Pvt Ltd.

5. **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

With the kind of activities carried out by the Company, particulars relating to conservation of energy and technology absorption stipulated as per Section 134(m) of the Companies Act, 2013 are not applicable.

6. **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total foreign outgoings.

Category	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
Outgo	102.34	13.57

Total foreign exchange Earned

Category	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
Earnings	1.97	3.02

7. **REVISION OF FINANCIAL STATEMENT OF THE COMPANY/ THE REPORT OF THE BOARD:**

The Financial Statement of the Company/Board Report has not been revised during the Financial Year ended December 31, 2019 as per Section 131 of the Companies Act, 2013.

8. **CHANGE IN THE NATURE OF BUSINESS:**

There has been no change in the nature of business during the year under review.

9. **ANNUAL RETURN:**

Pursuant to sub – section 3(a) of the Section 134 and sub – section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as on 31st December, 2019 is set out as Annexure 1 and forms part of this report.

10. **DETAILS OF NEW SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:**

Sr. No.	Name of Company	Subsidiary/ Joint ventures/ Associate Company	Date of becoming Subsidiary/ Joint Ventures/ Associate Company
1.	N.A	N.A	N.A

11. **DETAILS OF THE COMPANY WHO CEASED TO BE ITS SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES:**

Sr. No.	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of cession of Subsidiary / Joint ventures/ Associate Company
1.	N.A	N.A	N.A

12. **DETAILS OF DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made there under in the current financial year ended December 31, 2019.

13. **INTERNAL FINANCIAL CONTROL:**

Internal financial controls maintained by the company are adequate considering the nature and size of the company's operation.

14. **BOARD MEETINGS:**

The Board of Directors (herein after called as "the Board") met eight times during the Year review:

Sr No.	Date of Meeting	Venue	Time	Directors Present
1.	January 16, 2019	Kymore Room, 3rd Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	1.30 P.M.	• Mr. Sunil Nayak, • Mr. Neeraj Akhoury, • Mr. Suresh Joshi
2.	February 1, 2019	Kymore Room, 3rd Floor, Cement House 121, Maharshi Karve, Mumbai– 400020	1.30 P.M.	• Mr. Sunil Nayak, • Mr. Neeraj Akhoury, • Mr. Suresh Joshi
3.	March 1, 2019	WADI Room, 5th Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	11.00 A.M.	• Mr. Sunil Nayak, • Mr. Suresh Joshi, • Mr. Martin Kriegner
4.	April 16, 2019	WADI Room, 5th Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	09:30 A.M	• Mr. Sunil Nayak, • Mr. Neeraj Akhoury, • Mr. Suresh Joshi
5.	July 15, 2019	WADI Room, 5th Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	10.30 A.M.	• Mr. Sunil Nayak, • Mr. Neeraj Akhoury, • Ms. Sonal Shrivastava, • Mr. Bimlendra Jha
6.	August 6, 2019	WADI Room, 5th Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	11.00 A.M.	• Mr. Martin Kriegner, • Mr. Neeraj Akhoury, • Ms. Sonal Shrivastava, • Mr. Bimlendra Jha, • Ms. Rajani Kesari
7.	October 11, 2019	WADI Room, 5th Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	10.30 A.M.	• Ms. Rajani Kesari, • Mr. Neeraj Akhoury, • Ms. Sonal Shrivastava, • Mr. Bimlendra Jha
8.	November 26, 2019	WADI Room, 5th Floor, Cement House 121, Maharshi Karve Road, Mumbai– 400020	11.00 A.M.	• Ms. Rajani Kesari, • Mr. Neeraj Akhoury, • Ms. Sonal Shrivastava

15. **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	Name of the Director/Key managerial personnel	Particulars	Date of Appointment /Resignation
1.	Suresh Joshi	Resignation	03/04/2019
2.	Bimlendra Jha	Appointment	16/04/2019
3.	Sonal Shrivastava	Appointment	05/07/2019
4.	Sunil Nayak	Resignation	29/07/2019
5.	Rajani Kesari	Appointment	31/07/2019

16. **RISK MANAGEMENT:**

The Company is a captive Service Provider to its joint Venture partners.

The Board of Directors of the Company has identified key operational and technological risk which in the opinion of the Board is critical to its Service delivery. Further, adequate action plan are formulated and are in place to diminish any possible adverse effect.

17. **NOMINATION AND REMUNERATION COMMITTEE:**

Since the Company does not fall within the purview of Section 178 of the Companies Act, 2013, it has not constituted Nomination and Remuneration Committee.

18. **AUDIT COMMITTEE:**

Since the Company does not fall within the purview of Section 177 of the Companies Act, 2013, it has not constituted Audit Committee.

19. **THE VIGIL MECHANISM:**

The Board of Directors of your Company has not established a vigil mechanism, as the Company does not fall within the purview of section 177 of the Companies Act, 2013.

20. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Your Company has not constituted a Corporate Social Responsibility Committee, as the Company does not fall within the preview of section 135 of the Companies Act, 2013.

21. **QUALIFICATION GIVEN BY THE AUDITORS:**

There are no qualifications, reservation or adverse remarks or disclaimers made by the Statutory Auditors of the Company in their report.

22. **LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

The Company has neither provided loans nor guarantees nor has made any investments as in accordance with Section 186 of the Companies Act, 2013.

23. **CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:**

The Company, being a captive service provider to its joint venture partners has entered into related party transactions that are in the ordinary course and at arm's length basis.

24. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The policy on Prevention of Sexual Harassment at Workplace aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior.

25. **STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W/W-100018) has been appointed for the period of five years. In terms of the provisions of the Act, your ratification to their appointment as statutory Auditors of your Company is being sought at the ensuing AGM and forms part of the Notice convening the said meeting. The Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company.

26. **EQUITY SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any equity shares with deferential voting Rights.

27. **EMPLOYEES' STOCK OPTION PLAN:**

Your Company has not issued any ESOP during the year under review.

28. **SWEAT EQUITY SHARES:**

Your Company has not issued Sweat equity shares during the year.

29. **PARTICULARS OF EMPLOYEES:**

The details of Top Ten employee of the Company drawing remuneration is within the limits prescribed under Rule (5)(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

30. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained/received from the operating management, your Directors make the following statement and confirm that-

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. ACKNOWLEDGEMENT:

The Directors would like to place on record their appreciation for the dedicated efforts and services put in by the Management as well as the staff and employees for their excellent support provided during the year.

For and on behalf of the Board

FOR ONEINDIA BSC PRIVATE LIMITED

Rajani Kesari
Director
DIN: 02384170
ADDRESS: Flat No. 1901, 19th floor, B wing, Raheja Vivarea, Hindustan Mills Compound 30, Keshavrao Khadye Marg, Mumbai, Maharashtra- 400011.
Place: Mumbai
Date: 5th February, 2020

Sonal Shrivastava
Director
DIN: 06497446
ADDRESS: 602,E Rakhee Building, Vasant Utsav Thakur Village, Kandivali, East Mumbai, Maharashtra – 400101
Place: Mumbai
Date: 5th February, 2020

ANNEXURE TO BOARD'S REPORT.

Annexure I - Annual return

Form No. MGT-9

as on the financial year ended **December 31, 2019**

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	U74900KA2015PTC082264
ii)	Registration Date –	13/08/2015
iii)	Name of the Company -	ONEINDIA BSC PRIVATE LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	Crescent 1, 12th Floor, Prestige Shantiniketan Whitefield Main Road Bangalore, KA 560048, Tel: 080-30268952.
vi)	Whether listed company (Yes/ No)	No

II. 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 products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Other information service activities n.e.c.	63999	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	**ACC Limited** Cement House, 121,Maharshi Karve Road, Mumbai - 400020	L26940MH1936PLC002515	Associate Company	50	2(6) of the Companies Act, 2013
2.	**Ambuja Cements Limited** P O Ambuja Nagar, Taluka Kodinar, Amreli, Dist Junagadh Gujarat -362715 India	L26942GJ1981PLC004717	Ultimate Holding Company	50	2(87)(ii) of the Companies Act, 2013

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,02,000	50,02,000	100%	NIL	50,02,000	50,02,000	100%	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	50,02,000	50,02,000	100%	NIL	50,02,000	50,02,000	100%	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	50,02,000	50,02,000	100%	NIL	50,02,000	50,02,000	100%	Nil
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**NIL**	**50,02,000**	**50,02,000**	**100%**	**NIL**	**50,02,000**	**50,02,000**	**100%**	**Nil**

(ii) Shareholding of promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of Company	%of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of Company	%of Shares Pledged / encumbered to total shares	
1	ACC Limited	2,501,000	50%	NIL	2,501,000	50%	NIL	NIL
2	Ambuja Cements Limited	25,01,000	50%	NIL	25,01,000	50%	NIL	NIL
	Total	50,02,000	100%	NIL	50,2,000	100%	NIL	NIL

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ACC Limited				
	At the beginning of the year	25,01,000	50%	25,01,000	50%
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease e.g. allotment / transfer / bonus/ sweat equity etc):	No Change during the year			
	At the End of the year	25,01,000	50%	25,01,000	50%
2.	Ambuja Cements Limited				
	At the beginning of the year	25,01,000	50%	25,01,000	50%
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease e.g. allotment / transfer / bonus/ sweat equity etc):	No Change during the year			
	At the End of the year	25,01,000	50%	25,01,000	50%

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**For Each of the Top 10 Shareholders**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**For Each of the Directors and KMP**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Total at the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.
2	Stock Option	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.
4	Commission	N.A.	N.A.
	- as % of profit	N.A.	N.A.
	- others, specify…	N.A.	N.A.
5	Others, please specify	N.A.	N.A.
	Total (A)	N.A.	N.A.
	Ceiling as per the Act	N.A.	N.A.

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (in ₹)
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	N.A.	N.A.
	Total (1)	N.A.	N.A.
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	N.A.	N.A.
	Total (2)	N.A.	N.A.
	Total (B)=(1+2)	N.A.	N.A.
	Total Managerial Remuneration	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.

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

₹ in lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Narendra Jawahrani Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	148.57	N.A.	N.A.	N.A.
2.	Stock Option	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - Others, specify…	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	148.57	N.A.	N.A.	N.A.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT	Appeal made if any (give details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board

FOR ONEINDIA BSC PRIVATE LIMITED

Rajani Kesari
Director
DIN: 02384170
ADDRESS: Flat No. 1901, 19th floor, B wing, Raheja Vivarea, Hindustan Mills Compound 30, Keshavrao Khadye Marg,
Mumbai, Maharashtra- 400011.
Place: Mumbai
Date: 5th February, 2020

Sonal Shrivastava
Director
DIN: 06497446
ADDRESS: 602,E Rakhee Building, Vasant Utsav Thakur Village, Kandivali, East Mumbai, Maharashtra – 400101
Place: Mumbai
Date: 5th February, 2020

Annexure II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. **N.A.**
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Details	Details	Details	Details	Details
1	Name (s) of the related party & nature of relationship	Ambuja Cement Ltd (Holding Company)	ACC Ltd (Subsidiary Company)	Holcim Services South Asia Ltd (Company with Common Control)	Holcim Group Services Ltd (Company with Common Control)	Lafarge Zambia (Company with Common Control)	LH Global Hub Services Private Limited (Company with Common Control)
2	Nature of contracts/ arrangements/ transaction	Revenue from Operation	Revenue from Operation	Hardware Usage, IT Service and License Fees	Hardware Usage, IT Service and License Fees	Transport Analytical Services	Revenue from Operation
3	Duration of the contracts/ arrangements/ transaction	On going	On going	On going	On going	On going	On going
4	Salient terms of the contracts or arrangements or transaction including the value, if any	–	–	–	–	–	–
5	Date of approval by the Board	–	–	–	–	–	–
6	Amount paid as advances, if any	No Advance paid	No Advance paid	No Advance paid	No Advance paid	No Advance paid	No Advance paid

For and on behalf of the Board

FOR ONEINDIA BSC PRIVATE LIMITED

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Rajani Kesari
Director
DIN: 02384170
ADDRESS: Flat No. 1901, 19th floor, B wing, Raheja Vivarea, Hindustan Mills Compound 30, Keshavrao Khadye Marg, Mumbai, Maharashtra- 400011.
Place: Mumbai
Date: 5th February, 2020

____

Sonal Shrivastava
Director
DIN: 06497446
ADDRESS: 602,E Rakhee Building, Vasant Utsav Thakur Village, Kandivali, East Mumbai, Maharashtra – 400101
Place: Mumbai
Date: 5th February, 2020

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To The Members of OneIndia BSC Private Limited

Opinion

We have audited the accompanying financial statements of OneIndia BSC Private Limited ("the Company"), which comprise the Balance Sheet as at 31st December 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report including Annexures to Directors' report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No. 211095

Bengaluru, February 5, 2020

UDIN : 20211095AAAAAE5067

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of OneIndia BSC Private Limited ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No. 211095

Bengaluru, February 5, 2020
UDIN: 20211095AAAAAE5067

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) The Company does not have any inventory and hence, reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits and hence reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at December 31, 2019 for a period of more than six months from the date they became payable.

(c) There were no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on December 31, 2019 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) 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 by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) The Company is a private company and hence the provisions of section 177 and section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No.211095

Bengaluru, February 5, 2020

UDIN: 20211095AAAAAE5067

Balance Sheet
As at 31st December, 2019

₹ Lakhs

Particulars				Note	As at December 31, 2019	As at December 31, 2018
A	**ASSETS**					
1	**Non-current assets**					
	(a)	(i)	Property, plant and equipment	3	**38.64**	54.75
		(ii)	Intangible assets	3.1	**74.93**	13.22
		(iii)	Capital work in Progress		**5.42**	36.08
	(b)	Financial assets:				
		Loans		4.1	**195.24**	181.16
	(c)	Deferred tax assets (net)		5.2	**125.43**	94.96
	(d)	Non-current income tax asset (Net)		5.1	**499.39**	414.34
	(e)	Other non-current assets		6.1	**-**	10.96
			Total non-current assets		**939.06**	805.47
2	**Current assets**					
	(a)	Financial assets				
		(i)	Trade receivables	4.2	**518.97**	417.80
		(ii)	Cash and cash equivalents	4.3	**619.81**	617.58
		(iii)	Loans	4.1	**4.29**	4.88
		(iv)	Unbilled revenues		**46.75**	9.40
	(b)	Other current assets		6.2	**237.17**	218.98
			Total current assets		**1,426.99**	1,268.64
			Total Assets (1+2)		**2,366.05**	2,074.11
B	**EQUITY AND LIABILITIES**					
1	**Equity**					
	(a)	Equity share capital		7	**500.20**	500.20
	(b)	Other equity		8	**938.10**	708.15
			Total equity		**1,438.30**	1,208.35
	Liabilities					
2	**Non-current liabilities**					
	(a)	Provisions		10.1	**245.09**	175.05
	Total non-current liabilities				**245.09**	175.05
3	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Trade payables	9.1		
			Total outstanding dues of Micro and Small Enterprises		**1.22**	-
			Total outstanding dues of Creditors other than Micro and Small Enterprises		**474.80**	510.51
	(b)	Provisions		10.2	**110.52**	86.95
	(c)	Other current liabilities		11	**96.12**	93.25
			Total current liabilities		**682.66**	690.71
			Total Equity and Liabilities (1+2+3)		**2,366.05**	2,074.11
Significant Accounting Policies				2		

The accompanying notes form an integral part of the financial statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep S. Trasi
Partner

Place: Chennai
Date: 5th February, 2020

For and on behalf of the Board of Directors

Rajani Kesari
Director
DIN: 02384170
Place: Mumbai
Date: 5th February, 2020

Sonal Shrivastava
Director
DIN: 06497446
Place: Mumbai
Date: 5th February, 2020

Piyush Agarwal
Company Secretary
Place: Bengaluru
Date: 5th February, 2020

Narendra Jawahrani
Chief Executive Officer
Place: Bengaluru
Date: 5th February, 2020

Statement of Profit and Loss for the year ended 31st December, 2019

₹ Lakhs

	Particulars	Note	For the Year ended December 31, 2019	For the Year ended December 31, 2018
I	**Income:**			
(a)	Revenue from operations	12.1	**4,356.35**	4,609.09
(b)	Other income	12.2	**26.71**	13.06
	Total income		**4,383.06**	4,622.15
II	**Expenses:**			
	(a) Employee benefit expense	13	**2,816.17**	2,811.73
	(b) Depreciation and amortisation expense	3	**50.22**	37.36
	(c) Other expenses	14	**1,167.86**	1,368.89
	Total expenses		**4,034.25**	4,217.98
III	**Profit before tax (I-II)**		**348.81**	404.17
IV	**Tax expense**			
	(a) Current tax	18	**111.65**	99.11
	(b) Deferred tax	5.2	**(20.99)**	(13.51)
V	**Profit for the year (III - IV)**		**258.15**	318.57
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of (losses)/ gains on defined benefit plan		**(37.68)**	(1.70)
	(b) Income Tax relating to items that will not be classified to Profit & loss		**9.48**	(1.04)
VII	**Total other comprehensive income/(expense) for the year, net of tax**		**(28.20)**	(2.74)
VIII	**Total comprehensive income for the year (V -VII)**		**229.95**	315.83
XI	**Earnings per equity share**			
	Basic and Diluted (in ₹)			
	(Equity Shares of par value ₹ 10 each)	19	**5.16**	6.37
	Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep S. Trasi
Partner

Place: Chennai
Date: 5th February, 2020

For and on behalf of the Board of Directors

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Director
DIN:02384170
Place: Mumbai
Date: 5th February, 2020

Sonal Shrivastava
Director
DIN:06497446
Place: Mumbai
Date: 5th February, 2020

Piyush Agarwal
Company Secretary
Place: Bengaluru
Date: 5th February, 2020

Narendra Jawahrani
Chief Executive Officer
Place: Bengaluru
Date: 5th February, 2020

Statement of Changes in Equity for the year ended December 31, 2019

(a) Equity Share Capital (Refer Note 7)

Particulars	Number of shares	Amount ₹ Lakhs
As at January 1, 2018	5,002,000	500.20
Changes in equity share capital	-	-
At December 31, 2018	**5,002,000**	**500.20**
Changes in equity share capital	-	-
At December 31, 2019	**5,002,000**	**500.20**

(b) **Other Equity (Refer Note 8)**

Particulars	Retained earnings		Other Comprehensive Income	Total other equity
	Reserves and Surplus	Remeasurement of net defined benefit liability or asset (Refer Note below)		
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Balance as at January 1, 2018	411.69	(19.37)	-	392.32
Profit for the year	318.57	-	-	318.57
Remeasurement of the net defined benefit liability / assets (net of tax effect)	-	(2.74)	-	(2.74)
Balance at December 31, 2018	**730.26**	**(22.11)**	**-**	708.16
Profit for the year	258.15	-	-	258.15
Remeasurement of the net defined benefit liability / assets (net of tax effect)	-	(28.20)	-	(28.20)
Balance at December 31, 2019	**988.41**	**(50.31)**	**-**	938.10

The accompanying notes form an integral part of the financial statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep S. Trasi
Partner

Place: Chennai
Date: 5th February, 2020

For and on behalf of the Board of Directors

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Director
DIN:02384170
Place: Mumbai
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Company Secretary

Place: Bengaluru
Date: 5th February, 2020

Narendra Jawahrani
Chief Executive Officer

Place: Bengaluru
Date: 5th February, 2020

Cash Flow Statement
for the year ended 31st December, 2019

₹ Lakhs

Particulars		Note	For the year ended December 31, 2019	For the year ended December 31, 2018
A.	**Cash flow from operating activities**			
	Profit for the year		**229.95**	315.83
	Adjustments for:			
	Tax expenses (net)	18, 5.2	**81.18**	86.64
	Interest Income	12.2	**(26.71)**	(13.06)
	Depreciation and amortization expenses	3	**50.22**	37.36
	Operating Profit before working capital changes		**334.63**	426.77
	Movements in working capital			
	Decrease/(Increase) financial assets		**(36.76)**	28.04
	Decrease/(Increase) other non current assets		**10.96**	13.10
	Decrease/(Increase) other current assets		**(18.20)**	(14.64)
	Decrease/(Increase) in trade receivables		**(101.17)**	285.31
	(Decrease)/ Increase in trade payables		**(34.49)**	55.29
	(Decrease)/ Increase in provisions		**93.61**	57.95
	(Decrease)/ Increase in other current liabilities		**2.86**	(4.21)
	Cash generated from operations		**(83.18)**	420.84
	Income tax paid	5.1	**196.70**	223.01
	Net Cash flow (used in) / from operating activities		**54.75**	624.60
B.	**Cash flow from investing activities**			
	Payments for purchase of property, plant and equipment	3	**(65.16)**	(60.92)
	Interest Income		**12.64**	-
	Net cash used in investing activities		**(52.52)**	(60.92)
C.	**Cash flow from financing activities**			
	Net Cash flow from Financing activities		**-**	-
	Net Increase/(decrease) in cash and cash equivalents		**2.23**	563.68
	Cash and cash equivalents at the beginning of the year	4.3	**617.58**	53.90
	Cash and cash equivalents at the end of the year (Refer note 4.3)	4.3	**619.81**	617.58
			2.23	563.68

The accompanying notes form an integral part of the financial statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep S. Trasi
Partner

Place: Chennai
Date: 5th February, 2020

For and on behalf of the Board of Directors

Rajani Kesari
Director
DIN: 02384170
Place: Mumbai
Date: 5th February, 2020

Sonal Shrivastava
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DIN: 06497446
Place: Mumbai
Date: 5th February, 2020

Piyush Agarwal
Company Secretary

Place: Bengaluru
Date: 5th February, 2020

Narendra Jawahrani
Chief Executive Officer

Place: Bengaluru
Date: 5th February, 2020

Notes to the Ind AS financial statements for the year ended December 31, 2019

1. Company Information

OneIndia BSC Private Limited ("the Company") was incorporated on 13th August, 2015, under the provision of Companies Act, 2013 and is headquartered in Bengaluru, India.

The Company is in the business of providing business shared services to its Group entities.

2. Significant Accounting Policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter.

2.2 Application of new and revised Ind AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in the preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

A mendment to Ind AS 115:

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being January 1, 2019. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

A mendment to Appendix B to Ind AS 21:

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from January 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

2.3 Basis of preparation and presentation of financial statements

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Significant Accounting Policies :

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in India Rupee (₹), the national currency of India, which is the functional currency of Company

All the values in the financial statements are presented in ₹ Lakhs, except when otherwise indicated.

(ii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Sale of services

Revenue from Operations primarily comprises of income from Information Technology Enabled / Business Process Outsourcing Services which is recognised on rendering the service as per the terms of contracts with customers and when there is no uncertainty in receiving the same. Contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, transfer of control over the product or service, ability of the product or service to benefit the customer on its own or together with other readily available resources and the ability of the product or service to be separately identifiable from other promises in the contract.

Unbilled revenue represents accrual of income relating to services provided but not billed as at the year end.

b. Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iii) Property, plant and equipment:

The cost of property, plant and equipment and intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment and intangible assets have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life.

Estimated useful life of the assets, aligned to the prescribed useful life estimates specified under Schedule II of The Companies Act, 2013, are as follows:

Assets	Useful Life in years
Computers	3
Servers & Networks	6
Office Equipments	5
Furniture and Fixture	10
Electrical Installation	5
Intangible Assets	6

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation.

Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

(iv) 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**

  Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Current income tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in OCI or directly in equity.Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities which are expected to reverse out during the period of the tax holiday available to the Company for some of its operating units registered as a SEZ are not recognised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

- **Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(v) Leasing :

Lease arrangements where the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee are classified as finance leases. All other leases are classified as operating leases.

As Lessee

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Rental expenses from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(vi) Foreign Currencies :

In preparing the financial statements of the Company, transactions in currencies other than entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not translated.

(vii) Employee benefits:

- **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans, such as Provident Fund managed by Government Authorities, are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

- **Short term and other long-term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

- **Presentation and disclosure:**

For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between the short term and long term provisions has been made as determined by an actuary. The Company presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

(viii) Financial Instruments:

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

i. <u>Financial assets</u>

The Company's financial assets comprises of following:

i. Short-term financial assets consisting of (a) trade receivables, (b) cash and bank balances, and (c) other short-term receivables – third parties.

ii. Long-term financial assets consisting of long-term receivables and deposits with third parties.

<u>Initial recognition and measurement</u>

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

<u>Classification of financial asset</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss ("FVTPL") on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12- month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward- looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

ii. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit- taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

b. **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

c. **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

iii. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(ix) Impairment of tangible and intangible assets (other than goodwill):

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(x) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xi) Earnings Per Share :

Basic earnings per share is computed by dividing statement of profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the period is adjusted for events of bonus issue and share split.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.5 Critical accounting judgments and key sources of estimation uncertainty

There were no critical judgments, apart from those involving estimations, as described below, that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statement.

In the application of the Company's accounting policies, which are described in Note 2.4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates is revised if the revision affect only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Employee benefits

The cost of defined benefit gratuity plans, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

(b) Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This assessment may result in change in the depreciation expense in future periods.

(c) Deferred tax assets

The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(d) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has appointed a professional valuer, to determine the fair value by using appropriate valuation techniques and inputs for fair value.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The cross functional team of the Company works closely with the valuer to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the finding to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities

(e) Classification of Legal matters and Tax litigations

The litigations and claims to which the Company is exposed are assessed by management with assistance of the legal department and in certain cases with the support of external specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

All estimates mentioned above are further detailed in the corresponding disclosures.

Note 3 : Property, plant and equipment

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
Carrying amounts of :		
Electrical installation	**8.31**	14.14
Computer and computer Equipments	**13.08**	25.83
Furniture & fittings	**7.62**	8.78
Office equipment	**9.64**	6.00
Total	**38.65**	54.74

₹ Lakhs

Particulars	Property, plant and equipment					
	Electrical installation	Computer & computer equipments		Furniture & fittings	Office equipment	Total Tangible Assets
Cost		End User dekstops and Laptops	Servers and Networks			
As at January 01, 2018	29.13	76.15	–	11.65	8.83	125.76
Additions	–	3.91	3.82	–	1.95	9.68
Disposals	–	–	–	–	–	–
As at December 31, 2018	**29.13**	**80.06**	**3.82**	**11.65**	**10.78**	**135.44**
Additions	–	9.70	–	–	7.42	17.12
Disposals	–	–	–	–	–	–
As at December 31, 2019	**29.13**	**89.76**	**3.82**	**11.65**	**18.20**	**152.56**
Accumulated depreciation						
As at January 01, 2018	9.16	31.54	–	1.71	2.85	45.26
Depreciation expense	5.83	26.22	0.29	1.16	1.93	35.44
Eliminated on disposal of assets	–	–	–	–	–	–
As at December 31, 2018	**14.99**	**57.76**	**0.29**	**2.87**	**4.78**	**80.69**
Depreciation expense	5.83	21.82	0.64	1.16	3.78	33.23
Eliminated on disposal of assets	–	–	–	–	–	–
As at December 31, 2019	**20.82**	**79.58**	**0.93**	**4.03**	**8.56**	**113.92**
Carrying amount						
As at December 31, 2019	**8.31**	**10.18**	**2.89**	**7.62**	**9.64**	**38.64**
As at December 31, 2018	**14.14**	**22.30**	**3.53**	**8.78**	**6.00**	**54.74**

The above assets are owned and used by the company and the employees of the company other than those assets which are given on lease.

Note 3.1 Intangible Assets

Particulars	As at December 31, 2019	As at December 31, 2018
Carrying amounts of :		
Softwares	**74.93**	13.22
Total	**74.93**	13.22

₹ Lakhs

Particulars	Intangible Assets	
	Softwares	Total Intangible Assets
Cost		
As at January 01, 2018	-	-
Additions	15.15	15.15
Disposals	-	-
As at December 31, 2018	**15.15**	**15.15**
Additions	**78.70**	**78.70**
Disposals	**-**	-
As at December 31, 2019	**93.85**	**93.85**
Accumulated depreciation		
As at January 01, 2018	-	-
Depreciation expense	1.93	1.93
Eliminated on disposal of assets	-	-
As at December 31, 2018	**1.93**	**1.93**
Depreciation expense	**16.99**	**16.99**
Eliminated on disposal of assets	**-**	**-**
As at December 31, 2019	**18.92**	**18.92**
Carrying amount		
As at December 31, 2019	**74.93**	**74.93**
As at December 31, 2018	**13.22**	**13.22**

The above assets are owned and used by the company and the employees of the company other than those assets which are given on lease

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
Note 4 : Financial assets (unsecured, considered good unless otherwise stated)		
Note 4.1 : Loans		
a) Non-current		
Security deposits	**195.24**	181.16
	195.24	181.16
b) Current		
Employee loans and advances	**4.29**	4.88
	4.29	4.88
Note 4.2 : Trade receivables		
Current, (unsecured, considered good)		
Receivables from related parties	**518.97**	417.80
	518.97	417.80

Trade Receivables are non interest bearing. The consideration of credit risk is low due to the fact that sales are made to related party and the amounts are normally realised within the credit period, ranging up to 45 days.

Trade receivable balance outstanding included balances due from related parties as given below:

ACC Limited (within credit period)	**186.46**	213.68
Ambuja Cements Limited (within credit period)	**324.28**	201.17
Lafarge Zambia	**-**	2.95
LH Global Hub Services	**8.23**	-
	518.97	417.80

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
Note 4.3 : Cash & cash equivalents		
Balance with Banks in current accounts	**619.81**	617.58
Cash in hand	**-**	-
	619.81	617.58
Note 5 : Tax assets and liabilities		
Note 5.1 : Income tax assets (net)		
Non-current income tax assets		
Income tax payments made against returns filed / advance payments	**985.18**	788.48
Less: Provisions made for the respective years	**(485.79)**	(374.14)
Tax refund receivable (net)	**499.39**	414.34

Note 5.2 : Deferred tax balances (net)

The following is the analysis of the net deferred tax asset/(liability) position as presented in the financial statements

Deferred tax assets	125.43	94.96
Deferred tax liabilities	-	-
Net balance	**125.43**	**94.96**

Movement for the year : ₹ Lakhs

Particulars	**For the year 2019**			
	Opening Balance	**Recognised in profit & Loss**	**Recognised in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets/ liability in relation to:				
Provision on employee benefits	82.38	4.71	9.48	96.57
Other disallowances	10.68	10.68	-	21.36
Unadjusted tax losses, including unabsorbed depreciation	-	-	-	-
Property, plant and equipment	1.90	5.60	-	7.50
Total	**94.96**	**20.99**	**9.48**	**125.43**

Particulars	For the year 2018			
	Opening Balance	Recognised in profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax assets/ liability in relation to:				
Provision on employee benefits	83.26	0.16	(1.04)	82.38
Other disallowances	5.10	5.58	-	10.68
Unadjusted tax losses, including unabsorbed depreciation	-	-	-	-
Property, plant and equipment	(5.86)	7.76	-	1.90
Total	82.50	13.50	(1.04)	94.96

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
Note 6 : Other assets		
(unsecured, considered good unless otherwise stated)		
Note 6.1 : Non-current		
(a) Deferred rent (amortised cost)	**-**	10.96
	-	10.96

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
Note 6.2 : Current		
(a) Prepayments	4.36	69.79
(b) Advances to suppliers	102.46	16.67
(c) Deferred rent (amortised cost)	10.92	13.11
(d) Other receivables (Refer Note 16 and Note 21)	118.14	118.14
(e) Petty Advances	1.29	1.27
	237.17	218.98
Note 7 : Equity share capital		
Authorized Equity Share Capital		
450,00,000 (31 December, 2018 : 450,00,000) Equity Shares of ₹ 10 each, with voting rights	4,500.00	4,500.00
Issued, Subscribed and fully paid-up capital		
50,02,000 (31 December, 2018 : 50,02,000) Shares of ₹ 10 each fully paid up, with voting rights	500.20	500.20
Total issued, subscribed and fully paid-up share capital	**500.20**	500.20

Note 7.1 : Reconciliation of shares outstanding at the beginning and at the end of the reporting year/period

There is no movement in the shares outstanding from the prior years' to the current year.

Note 7.2 : Terms/ rights attached to Equity Shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in ₹. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 7.3 : Number of equity shares held by each shareholder holding more than 5% shares in the Company:

Share holder	No. of Shares	No. of Shares
Ambuja Cements Limited	2,501,000	2,501,000
% of holding	50%	50%
ACC Limited	2,501,000	2,501,000
% of holding	50%	50%
Total	**5,002,000**	5,002,000

Note 7.4 : Details of shares held by holding companies, its subsidiaries, associates

Share holder	No. of Shares	No. of Shares
Ambuja Cements Limited (Holding Company)	2,501,000	2,501,000
% of holding	50%	50%
ACC Limited (Subsidiary of Holding Company)	2,501,000	2,501,000
% of holding	50%	50%
Total	**5,002,000**	5,002,000

Note 7.5 : There were no instances of shares issued, on which there were any calls remaining unpaid or instances of any forfeitures during the years ended December 31, 2019 and December 31, 2018.

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
Note 8 : Other equity		
Reserves and surplus		
(I) Retained earnings	**988.41**	730.26

Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

₹ Lakhs

Particulars	As at December 31, 2019	As at December 31, 2018
(II) Other comprehensive income/(expense) for the year	**(50.31)**	(22.11)
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and financial liabilities and re-measurement of net defined benefit liability/asset.		
	938.10	**708.15**
Note 9 : Financial liabilities		
Note 9.1 : Trade payables, current		
Total outstanding dues of Micro and Small Enterprises	**1.22**	-
Total outstanding dues of Creditors other than Micro and Small Enterprises	**474.80**	510.51
	476.02	510.51
Note 10 : Provisions		
Note 10.1 : Non-current		
Provision for gratuity (Refer Note 16)	**245.09**	175.05
	245.09	175.05
Note 10.2 : Current		
Provision for gratuity (Refer Note 16)	**43.79**	35.13
Provision for compensated absences (Refer Note 16)	**66.73**	51.82
	110.52	86.95
Note 11 : Other liabilities		
Current		
Statutory dues	**96.12**	93.25
	96.12	93.25

Particulars		For the year ended December 31, 2019 ₹ Lakhs	For the year ended December 31, 2018 ₹ Lakhs
Note 12.1 :	**Revenue from operations**		
	Income from services - shared service activity (Refer Note 21)	**4,356.35**	4,609.09
		4,356.35	4,609.09
Note 12.2 :	**Other income**		
	Interest income on :		
	Security deposit	**14.08**	13.06
	Income tax refund	**6.09**	-
	Interest on Fixed Deposit	**6.54**	-
		26.71	13.06
Note 13 :	**Employee benefits expense**		
	Salaries, wages and bonus	**2,520.98**	2,483.07
	Contribution to provident and other funds (Refer note 16)	**137.80**	125.63
	Gratuity expense (Refer Note 16)	**44.10**	48.81
	Staff welfare expenses	**113.29**	154.22
		2,816.17	2,811.73
Note 14 :	**Other expenses**		
Communication expenses		**50.05**	40.32
Travelling expenses		**20.77**	37.11
Legal, professional & consulting services (Refer Note 14.1)		**461.14**	712.35
License cost		**144.16**	93.97
Rent (Refer Note 17)		**346.52**	326.55
Utilities and maintenance		**80.69**	80.41
Security expense		**11.13**	13.25

Particulars	For the year ended December 31, 2019 ₹ Lakhs	For the year ended December 31, 2018 ₹ Lakhs
Office supplies	**11.80**	34.85
Recruitment / hiring cost	**14.58**	1.58
Miscellaneous expenses	**27.02**	28.50
	1,167.86	1,368.89
Note 14.1 : Payment to auditors, towards		
For statutory audit	**11.00**	11.00
For taxation matters	**3.00**	3.00
	14.00	14.00

Note 15 : Contingent Liabilities and other commitments

The contingent liability and other commitments of the Company as at December 31, 2019 is ₹ NIL. (December 31, 2018: ₹ NIL)

Note 16 : Employee benefits

a) Defined contribution plan:

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 135.428 Lakhs (Year ended 31 December, 2018 ₹ 123.513 Lakhs) for Provident fund contributions and ₹ 2.38 Lakhs (Year ended 31 December 2018 ₹ 2.12 Lakhs) for Employee's State Insurance Scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans

The Company has a defined plans, viz., gratuity for its employees and is unfunded. These Plans typically expose the company to acturial risks such as:

Interest Risk:

A decrease in the bond interest rate will increase the plan liability.

Longevity risk:

The Present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the Balance sheet as liability for the Plan.

Net employee benefit expense recognized in the statement of profit & loss

Particulars	Gratuity	
	December 31, 2019	December 31, 2018
	₹ Lakhs	₹ Lakhs
Current service cost	**30.04**	23.06
Past service cost	**13.48**	13.48
Interest cost on benefit obligation	**14.06**	10.57
Expected return on plan assets	**-**	-
Net actuarial(gain) / loss recognized in the year	**37.68**	1.70
Net benefit expense	**95.26**	48.81

Particulars	Gratuity	
	December 31,2019	December 31,2018
	₹ Lakhs	₹ Lakhs
Present value of defined benefit obligation	**288.88**	210.18
Fair value of plan asset	**-**	-
Net defined benefit liability / (asset)	**288.88**	210.18

Particulars	Gratuity	
	December 31, 2019 ₹ Lakhs	December 31, 2018 ₹ Lakhs
Movement in the present Value of obligation		
Opening defined benefit obligation	**210.18**	161.44
Current service cost	**30.04**	36.55
Interest cost	**14.06**	10.56
Benefits paid	**(3.09)**	(15.33)
Net transfer from group company (Refer note 1 below)	**-**	15.26
Actuarial (gains) / losses on obligation	**37.68**	1.70
Net defined benefit liability / (asset)	**288.87**	210.18

Note 1: Represent the assets recoverable from holding company and its subsidiary for the employees tranferred from those companies along with the liability transferred for the period served by the employees in those companies.

Remeasurement of net defined liability

Particulars	Gratuity	
	December 31,2019 ₹ Lakhs	December 31, 2018 ₹ Lakhs
Return on plan assets (excl. interest income)	**-**	-
Due to change in demographic assumptions	**(0.01)**	-
Due to change in financial assumptions	**10.74**	7.64
Due to change in experience adjustments	**26.95**	(5.94)
Changes in asset ceiling/onerous liability	**-**	-
Components of defined costs recognised in other comprehensive income	**37.68**	1.70

The principal actuarial assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Gratuity	
	December 31, 2019	December 31, 2018
Discount rate	**6.40%**	7.30%
Salary escalation rate (p.a.)	**8%**	8%
Mortality rate	**IALM (2012-14)**	IALM (2006-08)
Turnover Rate	**20%**	20%

Discount Rate: The discount rate represents the employer's estimate (as of the valuation date) of the interest rate at which pension benefits could be effectively settled. Assumed discount rates are used in the measurement of the present value of the obligation.
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.

Sensitivity analysis for factors mentioned in actuarial assumptions

Particulars	December 31, 2019 ₹ Lakhs	December 31, 2018 ₹ Lakhs
Discount rate		
Discount rate - 50 basis points	**295.21**	214.79
Assumptions	**5.90%**	6.80%
Discount rate + 50 basis points	**282.82**	205.77
Assumptions	**6.90%**	7.80%
Salary Increase rate		
Salary rate - 50 basis points	**283.47**	206.11
Assumptions	**7.50%**	7.50%
Salary rate + 50 basis points	**294.45**	214.38
Assumptions	**8.50%**	8.50%

* The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at December 31, 2019.

Movement in Provision of Compensated Leave Absence

Particulars	December 31, 2019 ₹ Lakhs	December 31, 2018 ₹ Lakhs
Opening Balance	**51.82**	42.62
Add:		
Expense for the year	**22.10**	18.61
Less:		
Payment made during the year	**(7.19)**	(9.41)
Closing Balance	**66.73**	51.82
Current liabilities	**66.73**	51.82
Non current liabilities	**-**	-

Note 17 : Operating Lease

The Company has taken premises and related fitouts on operating lease which are non cancellable. Details of rent paid during the year and future payments are as follows.

Future lease rental payments for office premises	As at December 31, 2019 ₹ Lakhs	As at December 31, 2018 ₹ Lakhs
(i) Rent recognised as an expense during the year	**346.52**	326.55
(ii) Not later than one year	**290.81**	333.41
(iii) Later than one year and not later than five years	**-**	290.81
(iv) Later than five years	**-**	-

Note 18 : Income taxes

Particulars	For the year ended December 31, 2019 ₹ Lakhs	For the year ended December 31, 2018 ₹ Lakhs
18.1 Income tax expense recognised in statement of profit and loss:		
Current tax:		
In respect of the current year	**111.65**	137.43
Adjustments in respect of prior years	**-**	(38.32)
	111.65	99.11
Deferred tax:		
In respect of the current year	**(20.99)**	(13.51)
	(20.99)	(13.51)
Total income tax expense recognised in statement of profit and loss	**90.66**	85.60

Particulars	For the year ended December 31, 2019 ₹ Lakhs	For the year ended December 31, 2018 ₹ Lakhs
18.2 Income Tax recognised in Other Comprehensive Income		
Deferred tax charge / benefit on :		
Remeasurements of the defined benefit liabilities/ (asset)	**(9.48)**	1.04
Total income tax recognised in other comprehensive income	**(9.48)**	1.04
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**(9.48)**	1.04
Items that may be reclassified to profit or loss	**-**	-
	(9.48)	1.04

Particulars	For the year ended December 31, 2019 ₹ Lakhs	For the year ended December 31, 2018 ₹ Lakhs
18.3 A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :		
Profit before tax	**348.81**	404.17
Enacted income tax rate in India	**25.17%**	27.82%
Computed expected tax expense	**87.79**	112.45
Effects of certain tax allowances and concessions	**-**	-
Effect due to change in tax rate to 25.17% from 27.82%	**12.66**	11.47
Effects of expenses that are not deductible in determining taxable profit	**-**	-
Effect of reversal of excess tax provisions for prior years	**-**	(38.32)
Total income tax expense recognised in the statement of profit and loss	**100.45**	85.60

The Company files its tax returns based on the tax year ending March 31. Accordingly, the tax rates applicable under Indian Income Tax Act, for the tax year ended March 31, 2019 and March 31, 2018 was 27.82% and 27.55% respectively. The currently enacted tax rate for the tax year ending March 31, 2020 is 25.17%.

Note 19 : Earnings per share

Particulars	For the year ended December 31, 2019 ₹ Lakhs	For the year ended December 31, 2018 ₹ Lakhs
Profit after Tax (₹ Lakhs)	**258.15**	318.57
Weighted average number of equity shares	**5,002,000**	5,002,000
Nominal value per share (in ₹)	**10**	10
Basic and Diluted earnings per share (in ₹)	**5.16**	6.37

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Note 20 : Segment Reporting

The Company is engaged in providing business support services to associated entities under the control of the ultimate parent company, provided from its offices located in India. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. business support services.

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

Note 21 : Related parties

Note 21.1 : Name of related party and relationship

Name of the related parties	Nature of Relationship
Ambuja Cement Limited	Holding Company
ACC Limited	Subsidiary of Holding Company
Holcim Services South Asia Limited	Company under Common Control
Holcim Group Services Limited	Company under Common Control
Lafarge Zambia	Company under Common Control
LH Global Hub Services	Company under Common Control
Key Managerial Personnel:	
Narendra Jawahrani	Chief Executive Officer

Note 21.2 : Details of related party transactions during the year ₹ Lakhs

Nature of relationship	Holding Company	Subsidiary of Holding Company	Company with Common Control	Company with Common Control	Company with Common Control	Company with Common Control
Particulars	**Ambuja Cements Limited**	**ACC Limited**	**Holcim Services South Asia Limited**	**Holcim Group Services Ltd**	**Lafarge Zambia**	**LH Global Hub Services**
1 Revenue from operations excluding Service Tax/ GST includes Un billed Revenue	1,890.47	2,309.32	67.02	4.65	1.97	82.92
	(2,150.32)	(2,446.65)	(9.11)	-	(3.02)	
2 Legal, Professional & Consultancy fees	-	-	384.27	-	-	
			(524.26)			
3 License Cost			49.00	82.14		
	-	-	(98.14)	(82.47)	-	
Balances outstanding:						
1 Trade receivables	324.28	186.46	-	-	-	8.23
	(201.17)	(213.68)	-	-	(2.95)	-
2 Other receivable	59.61	58.54	-	-	-	-
	(59.61)	(58.54)	-	-	-	-
3 Unbilled revenue	21.04	25.71	-	-	-	-
	(4.42)	(4.98)	-	-	-	-
4 Trade payables (including accrued expenses)	-	-	63.14	80.83	-	-
	-	-	(146.14)	(68.90)	-	-

Figures in bracket represent previous year amount

Details of Transaction with Key Managerial Personnel

Particulars	**For the year ended December 31, 2019 ₹ Lakhs**	For the year ended December 31, 2018 ₹ Lakhs
Remuneration (refer note 1 below)	**-**	146.99
Balances outstanding at year end:		
Receivable/(payble)	**-**	

Note 1: The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated leave absence, as they are determined on an actuarial basis for the Company as a whole.

Note 22 : Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) Categories of financial instruments

The carrying value of financial instruments by categories as at December 31, 2019 and December 31, 2018 is as follows:

Particulars	**Carrying value**	
	As at December 31, 2019 ₹ Lakhs	As at December 31, 2018 ₹ Lakhs
Financial assets		
Other financial assets	**246.28**	195.45
Trade receivables	**518.97**	417.80
Cash and other bank balances	**619.81**	617.58
Total	**1,385.07**	1,230.83
Financial Liabilities		
Trade payables	**476.02**	510.51
Other financial liabilities	**-**	-
Total	**476.02**	510.51

The fair value of financial instruments by categories as at December 31, 2019 and December 31, 2018 is as follows:

Particulars	Fair value	
	As at December 31, 2019 ₹ Lakhs	As at December 31, 2018 ₹ Lakhs
Financial assets		
Other financial assets	**246.28**	195.45
Trade receivables	**518.97**	417.80
Cash and other bank balances	**619.81**	617.58
Total	**1,385.07**	1,230.83
Financial Liabilities		
Trade payables	**476.02**	510.51
Other financial liabilities	**-**	-
Total	**476.02**	510.51

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash, trade receivables, trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

(ii) Financial risk management objectives

Being a captive shared services the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk due to its holding companies exposure to such risks. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors of Holding Company reviews and agrees policies for managing each of these risks, which are summarized below.

(a) Foreign currency risk: During the year company not entered in foreign currency transaction, hence it do not increase foreign currency risk to the company significantly.

(b) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings, hence it do not increase interest rate risk to the company significantly.

(c) Credit risk: Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks, as well as credit exposure to customer, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company generates revenue only from two customers, break up of which is given below:-

Particulars	**For the year ended December 31, 2019 ₹ Lakhs**	For the year ended December 31, 2018 ₹ Lakhs
ACC Limited	**2,283.61**	(2,446.65)
Ambuja Cements Limited	**1,869.43**	(2,150.32)

The Company has only two customers, break up of which is given below:-

Particulars	**For the year ended December 31, 2019 ₹ Lakhs**	For the year ended December 31, 2018 ₹ Lakhs
ACC Limited	**186.46**	(213.68)
Ambuja Cements Limited	**324.28**	(201.17)

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

₹ Lakhs

Expected maturity for the Financial assets & Financial Liabilities	As at December 31, 2019 (Carrying value)		
	Less than 1 Year	1-5 Years	5 years above
Financial assets			
Other financial assets	**4.29**	**195.24**	-
Trade receivables	**518.97**	-	-
Cash and other bank balances	**619.81**	-	-
Total	**1,143.07**	**195.24**	**-**
Financial Liabilities			
Trade payables	**476.02**	-	-
Other financial liabilities	**-**	-	-
Total	**476.02**	**-**	**-**

₹ Lakhs

Expected maturity for the Financial assets & Financial Liabilities	As at December 31, 2018 (Carrying value)		
	Less than 1 Year	1-5 Years	5 years above
Financial assets			
Other financial assets	14.29	181.16	-
Trade receivables	417.80	-	-
Cash and other bank balances	617.58	-	-
Total	1,049.67	181.16	-
Financial Liabilities			
Trade payables	510.51	-	-
Other financial liabilities	-	-	-
Total	510.51	-	-

Note 23

The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 05 February, 2020.

For and on behalf of the Board of Directors

Rajani Kesari
Director
DIN:02384170
Place: Mumbai
Date: 5th February, 2020

Sonal Shrivastava
Director
DIN:06497446
Place: Mumbai
Date: 5th February, 2020

Piyush Agarwaal
Company Secretary
Place: Bengaluru
Date: 5th February, 2020

Narendra Jawahrani
Chief Executive Officer
Place: Bengaluru
Date: 5th February, 2020

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present the Directors' Report and Audited Accounts of the Company for the year ended 31st December, 2019.

1. **FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS**

   The Company has not commenced any business activities. It is in the process of setting up a cement plant.

2. **RESERVES AND SURPLUS**

   No transfer to reserves has been made during the year under review.

3. **MATERIAL CHANGES AND COMMITMENTS**

   No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

4. **DIVIDEND**

   Your Directors do not recommend payment of dividend for the financial year ended December 31, 2019.

5. **MEETINGS OF THE BOARD**

   During the year ended 31st December, 2019, the Board meetings were held on 18th January, 2019; 18th February, 2019; 25th March, 2019; 29th March, 2019; 18th April, 2019; 10th July, 2019 and 11th October, 2019.

6. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

   RETIREMENT BY ROTATION

   In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vilas Deshmukh (DIN 06693563) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

7. **CORPORATE SOCIAL RESPONSIBILITY**

   The provisions under Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the company.

8. **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY**

   The company does not have any Subsidiaries, Joint Ventures or Associate Companies.

9. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS**

   During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

10. **CHANGES IN SHARE CAPITAL**

    The company has not issued any equity shares during the year under review.

11. **AUDITORS**

    M/s Suresh Pareek & Associates (Firm Registration No : 007494C), auditors of the company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The auditor's report does not contain any qualification, reservation or adverse remark.

12. **EXTRACT OF ANNUAL RETURN**

    The extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed format MGT-9 is enclosed as Annexure 1.

13. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

    During the year, the company has not given any loans, guarantees or incurred any investments.

14. **DEPOSITS**

    The company has not invited any deposits from the public during the year.

15. **COST RECORDS AND AUDIT**

    As per the Companies (Cost Records and Audit Amendments) Rules, 2014, the Company is not required to maintain cost records.

16. **PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

    During the year, the company has not entered into any contract / arrangement with Related Parties and hence no information is required to be furnished in AOC – 2.

17. **EMPLOYEES**

    The Company had no employees drawing salary in excess of the limits specified in Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

    Since the Company does not have any business operations, the policy on Sexual Harassment has not been implemented.

19. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

    The information required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013 is not given as the same is not applicable.

20. **INTERNAL CONTROLS**

The Company being a wholly owned subsidiary of Ambuja Cements Limited, the internal financial controls of Ambuja Cements Limited are applicable to the Company. These are adequate and commensurate with the requirements of the Company.

21. **RISK MANAGEMENT POLICY**

The Company has not developed and implemented a Risk Management Policy.

22. **DIRECTOR'S RESPONSIBILITY STATEMENT**

In conformity with the provisions under Section 134 which was introduced by the Companies Act, 2013 your directors confirm that:-

a) In preparation of the Annual Accounts, the applicable accounting standards have been followed.

b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimated that reasonable and prudent so as to give a true fair view of the state of affairs Company as on 31st December 2019.

c) The Directors have taken proper and sufficient care 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.

d) The Directors have prepared the Annual Accounts on a going concern basis.

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. **ACKNOWLEDGEMENTS**

The Directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the Company.

For and on behalf of the Board

Suresh Chandra Joshi
Director
DIN No: 00770370

Vilas Deshmukh
Director
DIN No: 06693563

Place: Mumbai
Date: 13th January, 2020

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st December 2019

[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.	**CIN**	U26943GJ1990PTC061530
2.	**Registration Date**	12th November 1990
3.	**Name of the Company**	MGT Cements Private Limited
4.	**Category/Sub-Category of the Company**	Private Company / Company limited by shares / Indian Non-Government company
5.	**Address of the Registered office and contact details**	P.O. Ambujanagar, Taluka - Kodinar, Gir Somnath, Gujarat 362715
6.	**Whether Listed Company (Yes/No)**	No
7.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Not Applicable

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	2394	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1.	Ambuja Cements Limited	L26942GJ1981PLC004717	Holding	100%	2(46)

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 As on 01.01.2019				No. of Shares held at the end of the year As on 31.12.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Cent. Govt.	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	750000	750000	100%	-	750000	750000	100%	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-Total- A(1)	**-**	**750000**	**750000**	**100%**	**-**	**750000**	**750000**	**100%**	**-**
2. Foreign									
a. NRI - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Body Corp.	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any 0ther	-	-	-	-	-	-	-	-	-
Sub Total- (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**750000**	**750000**	**100%**	**-**	**750000**	**750000**	**100%**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year As on 01.01.2019				No. of Shares held at the end of the year As on 31.12.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	
Total Public Shareholding (B)=(B)(1)=(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs : NIL									
Grand Total (A+B+C)	**-**	**750000**	**750000**	**100%**	**-**	**750000**	**750000**	**100%**	**-**

ii. Shareholding of Promoters

Sr. No.	Shareholders name	Shareholding at the beginning of the year 01.01.2019			Shareholding at the end of the year 31.12.2019			% 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.	Ambuja Cements Limited	749990	100%	-	749990	100%	-	-
2.	Ambuja Cements Limited jointly with Mr. Vilas Deshmukh	10	0.00%	-	10	0.00%	-	-
3.	**Total**	**750000**	**100%**	**-**	**750000**	**100%**	**-**	**-**

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

There was no change in shareholding of promoters during the year.

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

v. Shareholding of Directors and Key Managerial Personnel : NIL

V. INDEBTEDNESS:

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year	NIL		NIL	
1. Principal Amount		-		-
2. Interest due but not paid		-		-
3. Interest accrued but not due		-		-
Total of (1+2+3)		-		-
Change in indebtedness during the year		-		-
+ Addition		108035		108035
- Reduction		-		-
Net change		108035		108035
Indebtedness at the end of the Financial Year		108035		108035
1. Principal Amount		108035		108035
2. Interest due but not paid		-		-
3. Interest accrued but not due		-		-
Total of (1+2+3)		**108035**		**108035**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act	NIL	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - As % of Profit - Others, specify		
5.	Others, please specify		
6.	Total (A)		
7.	Ceiling as per the Act		

B. Remuneration of other directors:

Particulars of Remuneration	Name of Directors	Total Amount
1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	NIL	
Total (1)		
2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify		
Total (2)		
Total B = (1+2)		
Total Managerial Remuneration		
Overall ceiling as per the Act		

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

Sr. No.	Particulars of remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the Income tax Act, 1961 b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	NIL			
2.	Stock option				
3.	Sweat Equity				
4.	Commission				
	- Profit				
	- Others, specify				
5.	Others, specify				
6.	**TOTAL**				

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

Type	Section of the company	Brief Description	Details of penalty/ punishment/compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. **Company**	NIL				
Penalty					
Punishment					
Compounding					
B. **Directors**					
Penalty					
Punishment					
Compounding					
C. **Other officers in default**					
Penalty					
Punishment					
Compounding					

Independent Auditor's Report

TO THE MEMBERS OF M.G.T. CEMENTS PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **M.G.T. Cements Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st December, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31st December, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   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 and the reports of the other auditors.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. There is no pending litigations which would impact the financial position of the company.
      ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
      iii. Investor Education and Protection Fund is not applicable to the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No. 007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 13.01.2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date to the Members of M.G.T. Cements Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M.G.T. Cements Private Limited** ("the Company") as of December 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No.007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 13.01.2020

Annexure "B" referred to in paragraph 2 under "Report on other Legal and Regulatory requirements" section of our report of even date to the Members of M.G.T. Cements Private Limited

1. In respect of its property, plants and equipment:
   a. The company has maintained proper records showing full particulars including quantitative details and situation of property, plants and equipment on the basis of available information.
   b. As explained to us, all the property, plants and equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c. According to the information and explanations given to us and on the basis of our examination of relevant records of the Company, we report that the title deeds of immovable properties are held in the name of Company.
2. The Company's business does not involve inventories; hence the requirements of maintenance of records, physical verification and discrepancy for the same are not applicable.
3. The company had not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
4. The company has not given any loans, guarantee and securities during the year; hence the provisions of Section 185 and 186 of the Companies Act, 2013, are not applicable to the Company.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
6. It is informed that the provisions of maintenance of Cost Records pursuant to the Companies (Cost Accounting Records) Rules 2011 as prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 are not applicable to the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the books of account, the undisputed statutory dues pertaining to Income Tax have been regularly deposited with the appropriate authorities. The laws relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
   b. According to the information and explanations given to us and on the basis of our examination of the books of account, there are no outstanding dues at the year end, for a period of more than six months from the date they became payable.
   c. According to the information and explanations given to us and on the basis of our examination of the books of account, there are no undisputed amounts in respect of Income Tax which have not been deposited with the appropriate authorities. The laws relating to Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess are not applicable to the Company.
8. Based on our audit procedures and as per the information and explanations given by the management, the company has not taken any term loan from financial institutions nor has it issued any debentures during the year under report.
9. According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debts instruments) and term loans during the year. Therefore provisions of clause (ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
10. According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
11. No managerial Remuneration has been paid or provided during the year. Therefore, provisions of Clause (xi) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
12. The company is not a Nidhi Company and therefore provisions of Clause (xii) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
13. According to the information and explanations given to us and on the basis of our examination of relevant records of the Company, we report that all transactions with related parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in the financial statements etc., as required by the applicable accounting standard.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore provisions of Clause (xiv) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
15. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, provisions of Clause (xv) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
16. As per the information and explanations given to us, the Company is not required to be registered under 45-IA of the Reserve Bank of India ACT, 1934 and therefore no registration was obtained.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No.007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 13.01.2020

Balance Sheet
As at 31st December, 2019

Particulars	Notes	As at 31.12.2019 ₹	As at 31.12.2018 ₹
ASSETS			
Current assets			
a Financial Assets			
Cash and cash equivalents	4	**26,437**	14,054
Total - Current assets		**26,437**	14,054
TOTAL - ASSETS		**26,437**	14,054
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	5	**7,500,000**	7,500,000
b) Other Equity	6	**(7,589,098)**	(7,493,446)
Total Equity		**(89,098)**	6,554
Liabilities			
Current liabilities			
a Financial liabilities			
i) Borrowings	7	**108,035**	-
ii) Other financial liabilities	8	**7,500**	7,500
Total - Current liabilities		**115,535**	7,500
TOTAL - LIABILITIES		**26,437**	14,054

See accompanying notes to the financial statements.

In terms of our report attached

For and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Suresh Pareek

Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

Place : Mumbai
Date : 13.01.2020

Statement of Profit and Loss
For the year ended 31st December, 2019

	Particulars	Notes	2019 ₹	2018 ₹
1	**Income**		**-**	-
2	**Expenses**			
	Finance costs		**8,035**	-
	Other expenses	9	**87,617**	27,330
	Total Expenses		**95,652**	27,330
3	**Loss for the year**		**(95,652)**	(27,330)
4	**Total comprehensive (Loss) for the year**		**(95,652)**	(27,330)
5	**Earnings per share (in ₹) (of ₹ 10 each)**	10		
	Basic		**(0.13)**	(0.04)
	Diluted		**(0.13)**	(0.04)

See accompanying notes to the financial statements.

In terms of our report attached

For and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Suresh Pareek
Membership No. : 76526
Place : Nagaur
Date : 13.01.2020

Place : Mumbai
Date : 13.01.2020

Cash Flow Statement
For the year ended 31st December, 2019

	2019 ₹	2018 ₹
Cash flows from operating activities		
Profit / (Loss) before tax	**(95,652)**	(27,330)
Adjustment for :		
	(95,652)	(27,330)
Operating loss before working capital changes	**(95,652)**	(27,330)
Adjustment for :		
Increase /(Decrease) in trade payables and other current liabilities	**-**	(549)
Cash generated from operations	**(95,652)**	(27,879)
Net cash used in operating activities	**(95,652)**	(27,879)
Components of cash and cash equivalents :		
Cash flows from operating activities		
Borrowings - Inter corporate deposit	**108,035**	-
Net cash used in operating activities	**108,035**	-
Net decrease in cash & cash equivalents	**12,383**	(27,879)
Cash and cash equivalents at the beginning of the year	**14,054**	41,933
Cash and cash equivalents at the end of the period	**26,437**	14,054
	12,383	(27,879)
Components of cash and cash equivalents :		
With banks - in current accounts	**26,437**	14,054
Cash and cash equivalents at the the year end	**26,437**	14,054

See accompanying notes to the financial statements.

In terms of our report attached

For and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Suresh Pareek
Membership No. : 76526
Place : Nagaur
Date : 13.01.2020

Place : Mumbai
Date : 13.01.2020

Statement of Changes in Equity
for the year ended 31st December, 2019

A Equity Share Capital

₹ in crore

Particulars	As at 31.12.2019	As at 31.12.2018
Opening balance	**7,500,000**	7,500,000
Increase / (Decrease) during the year	**-**	-
Closing balance	**7,500,000**	7,500,000

B Other Equity

₹ in crore

Particulars	**Reserves and surplus**		
	Securities	**Retained**	**Total other**
Balance as at 1st January, 2018	9,299,690	(16,765,806)	(7,466,116)
Loss for the period	-	(27,330)	(27,330)
Other comprehensive income (net of tax expenses)	-	-	-
Balance as at 31st December, 2018	**9,299,690**	**(16,793,136)**	**(7,493,446)**
Balance as at 1st January, 2019	9,299,690	(16,793,136)	(7,493,446)
Loss for the period	-	(95,652)	(95,652)
Other comprehensive income (net of tax expenses)	-	-	-
Balance as at 31st December, 2019	**9,299,690**	**(16,888,788)**	**(7,589,098)**

Description of reserves in statement of changes in equity

Securities premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

See accompanying notes to the financial statements.

In terms of our report attached

For and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Suresh Pareek

Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

Place : Mumbai
Date : 13.01.2020

Notes to Financial Statements

1. Corporate Information

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are not listed on any Stock Exchange in India. The registered office of the Company is located at Ambuja Nagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following:

A. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

B. Non-current asset held for sale are measured at the lower of carrying amount and fair value less cost to sell.

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. An item of property, plant and equipment and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. The useful life as estimated is aligned to the prescribed useful life estimates specified under Schedule II of The Companies Act, 2013.

II. Leasehold land including premium is amortized over the period of lease on a straight line basis.

B. Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Company estimates the recoverable amount for the smallest cash generating unit to which the non-financial assets belongs. 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, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

C. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

D. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. **Financial assets**

The Company's financial assets comprise:

i. Current financial assets mainly consist of trade receivables, investment in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees and non-current deposits.

Initial recognition and measurement of financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

a. **Debt instruments at amortised cost**

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- This category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other non-current receivables and non-current financial assets such as financial investments – bond and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

b. **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

c. **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost or FVTOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

II. **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. **Financial liabilities**

i. **The Company's financial liability comprise:**

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

ii. **Subsequent measurement of financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii. **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

E. **Provisions and contingencies**

I. **Provisions**

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

II. **Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

III. **Contingent asset**

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

F. **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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

G. Borrowing Cost

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

H. Taxation

Tax expense comprises current income tax 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.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

I. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

J. 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.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

K. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 Presentation of financial statements. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

L. Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate primarily to defined benefit obligations, useful life of property plant and equipment, revenue recognition, fair value measurement of financial instruments and mines restoration at the end of the reporting period...

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
4 Cash and cash equivalents		
Balances with banks In current account	**26,437**	14,054
Total	**26,437**	14,054

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
5 Equity Share Capital		
Authorised		
Equity shares of ₹ 10 each	**10,000,000**	10,000,000
Total	**10,000,000**	10,000,000
Issued, subscribed and fully paid up		
Equity shares of ₹ 10 each fully paid up	**7,500,000**	7,500,000
Total	**7,500,000**	7,500,000

Notes

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	**750,000**	**7,500,000**	750,000	7,500,000
Increase / (decrease) during the year	-	-	-	-
At the end of the year	**750,000**	**7,500,000**	750,000	7,500,000

b) Equity shares held by holding Company, ultimate holding Company and their subsidiaries

Particular	As at 31.12.2019 ₹	As at 31.12.2018 ₹
Ambuja Cements Limited, the holding company 7,50,000 (31st December, 2018 - 7,50,000) equity shares of ₹ 10 each fully paid up	**7,500,000**	7,500,000

c) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particular	As at 31.12.2019		As at 31.12.2018	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	**750,000**	**100%**	750,000	100%

d) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 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, in proportion to their shareholding, after distribution of all preferential amounts.

Particular	As at 31.12.2019 ₹	As at 31.12.2018 ₹
6 Other Equity		
Securities premium account	**9,299,690.00**	9,299,690.00
Retained earnings	**(16,888,788.00)**	(16,793,136.00)
Total	**(7,589,098.00)**	(7,493,446.00)
7 Borrowings		
Short term borrowings	**108,035.00**	-
Total	**108,035.00**	-
8 Other financial liabilities		
Audit Fee payable	**7,500.00**	7,500.00
Total	**7,500.00**	**7,500.00**

Particular	2019 ₹	2018 ₹
9 Other Expenses		
Miscellaneous expenses*	**87,617**	27,330
Total	**87,617**	27,330
* Miscellaneous expenses include payment to auditors (excluding GST/service tax)		
Statutory auditor	**7,500**	7,500

10 Earnings per equity share (EPS) :

(i)	Profit attributable to owners of the company for basic and diluted EPS	**(95,652)**	(27,330)
(ii)	Weighted average number of equity shares for basic EPS	**750,000**	750,000
	Weighted average number of shares for diluted EPS	**750,000**	750,000
(iii)	Nominal value of equity share (in ₹)	**10**	10
(iv)	Earnings per equity share (in ₹)		
	Basic	**(0.13)**	(0.04)
	Diluted	**(0.13)**	(0.04)

11 Related party disclosure :

"Related Party Disclosure" (Ind AS-24), following are details of transactions during the year with the related parties of the Company as defined in Ind AS 24:

a) Names of related parties where control exists :

Party	Nature of Relationship
LafargeHolcim Ltd.(Formerly known as Holcim Ltd.), Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Details of related parties transactions :

Particulars	As on 31.12.2019	As on 31.12.2018
Loan received during the year	**100,000.00**	-
Loan payable	**100,000.00**	-
Interest expenses	**8,035.00**	-
Interest payable	**8,035.00**	-

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

12 Taxation:

Current Tax

13 Classification of Financial Assets and Liabilities

	As on 31.12.2019 ₹	As on 31.12.2018 ₹
Financial Assets at amortised cost :		
Cash and bank balances	**26,437**	14,054
Total	**26,437**	14,054
Financial Liabilities at amortised cost :		
Other financial liabilities	**7,500**	7,500
Total	**7,500**	**7,500**

The management assessed that cash and cash equivalents and other financial liabilities approximate the carrying amounts largely due to short term maturities of these instruments.

Previous years' figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

For and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Suresh Pareek
Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

Place : Mumbai
Date : 13.01.2020

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present the Directors' Report and Audited Accounts of the Company for the year ended 31st December, 2019.

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

The Company has not commenced any business activities. It is in the process of setting up a cement plant.

2. RESERVES AND SURPLUS

No transfer to reserves has been made during the year under review.

3. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred in the financial year to which these financial statements relate on the date of this report.

4. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2019.

5. MEETINGS OF BOARD OF DIRECTORS

During the year ended 31st December, 2019, the Board meetings were held on 18th January, 2019; 18th February, 2019; 27th March, 2019; 29th March, 2019; 18th April, 2019; 10th July, 2019 and 11th October, 2019.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

RETIREMENT BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vilas Deshmukh (DIN 06693563) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

7. CORPORATE SOCIAL RESPONSIBILITY

The provisions under Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the company.

8. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The company does not have any Subsidiaries, Joint Ventures or Associate Companies.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

10. CHANGES IN SHARE CAPITAL

The company has not issued any equity shares during the year under review.

11. AUDITORS

M/s Suresh Pareek & Associates (Firm Registration No : 007494C), Auditors of the company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The auditor's report does not contain any qualification, reservation or adverse remark.

12. EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed format MGT-9 is enclosed as Annexure 1.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year, the company has not given any loans, guarantees or incurred any investments.

14. DEPOSITS

The Company has not accepted any deposits from the public or the Directors during the year under review.

15. COST RECORDS AND AUDIT

As per the Companies (Cost Records and Audit Amendments) Rules, 2014, the Company is not required to maintain cost records.

16. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties were in the ordinary course of business, on an arms' length basis and within the limits prescribed under the Companies Act, 2013 and Rules framed thereunder. Accordingly, no transactions are required to be reported in Form AOC - 2.

17. EMPLOYEES

The Company had no employees drawing salary in excess of the limits specified in Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Since the Company does not have any business operations, the policy on Sexual Harassment has not been implemented.

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

The information required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013 is not given as the same is not applicable.

20. INTERNAL CONTROLS

The Company being a wholly owned subsidiary of Ambuja Cements Limited, the internal financial controls of Ambuja Cements Limited are applicable to the Company. These are adequate and commensurate with the requirements of the Company.

21. RISK MANAGEMENT POLICY

The Company has not developed and implemented a Risk Management Policy.

22. DIRECTOR'S RESPONSIBILITY STATEMENT

In conformity with the provisions under Section 134 which was introduced by the Companies Act, 2013 your directors confirm that:-

a) In preparation of the Annual Accounts, the applicable accounting standards have been followed.

b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimated that reasonable and prudent so as to give a true fair view of the state of affairs Company as on 31st December 2019.

c) The Directors have taken proper and sufficient care 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.

d) The Directors have prepared the Annual Accounts on a going concern basis.

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. ACKNOWLEDGEMENTS

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the Company.

For and on behalf of the Board

	Suresh Chandra Joshi	**Vilas Deshmukh**
Place: Mumbai	Director	Director
Date: 13th January, 2020	DIN No: 00770370	DIN No: 06693563

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st December 2019

[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.	**CIN**	U14107GJ2007PTC061529
2.	**Registration Date**	27th February 2007
3.	**Name of the Company**	Chemical Limes Mundwa Private Limited
4.	**Category/Sub-Category of the Company**	Private Company / Company limited by shares / Indian Non-Government company
5.	**Address of the Registered office and contact details**	P.O. Ambujanagar, Taluka - Kodinar, Gir Somnath, Gujarat 362715
6.	**Whether listed Company (Yes/No)**	No
7.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Not Applicable

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	2394	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1.	Ambuja Cements Limited	L26942GJ1981PLC004717	Holding	100%	2(46)

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 As on 01.01.2019				No. of Shares held at the end of the year As on 31.12.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt. (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	5140000	5140000	100%	-	5140000	5140000	100%	-
e. Banks/ FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**-**	**5140000**	**5140000**	**100%**	**-**	**5140000**	**5140000**	**100%**	**-**
2. Foreign				**-**					
a. NRI - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Body Corp.	-	-	-	-	-	-	-	-	NIL
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**5140000**	**5140000**	**100%**	**-**	**5140000**	**5140000**	**100%**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year As on 01.01.2019				No. of Shares held at the end of the year As on 31.12.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B) = (B)(1) = (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs : NIL									
Grand Total (A+B+C)	**-**	**5140000**	**5140000**	**100%**	**-**	**5140000**	**5140000**	**100%**	**-**

ii. Shareholding of Promoters

Sr. No.	Shareholders name	Shareholding at the beginning of the year 01.01.2019			Shareholding at the end of the year 31.12.2019			% 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.	Ambuja Cements Limited	5139990	100%	-	5139990	100%	-	-
2.	Ambuja Cements Limited jointly with Mr. Vilas Deshmukh	10	0.00%	-	10	0.00%	-	-
3.	**Total**	**5140000**	**100%**	**-**	**5140000**	**100%**	**-**	**-**

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

There was no change in shareholding of promoters during the year.

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) : NIL

v. Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year	NIL		NIL	
1. Principal Amount		10,300,000		10,300,000
2. Interest due but not paid		-		-
3. Interest accrued but not due		904,112		904,112
Total of (1+2+3)		11,204,112		11,204,112
Change in indebtedness during the year				
+ Addition		2,500,000		2,500,000
- Reduction		-		-
Net change		2,500,000		2,500,000
Indebtedness at the end of the Financial Year		12,800,000		12,800,000
1. Principal Amount		12,800,000		12,800,000
2. Interest due but not paid		1,055,478		1,055,478
3. Interest accrued but not due		-		-
Total of (1+2+3)		**13,855,478**		**13,855,478**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act	NIL	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - As % of Profit - Others, specify		
5.	Others, please specify		
6.	Total (A)		
7.	Ceiling as per the Act		

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	NIL	
	Total (1)		
2.	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify		
	Total (2)		
3.	Total B = (1+2)		
4.	Total Managerial Remuneration		
5.	Overall ceiling as per the Act		

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

Sr. No.	Particulars of remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the Income tax Act, 1961 b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	NIL			
2.	Stock option				
3.	Sweat Equity				
4.	Commission - Profit - Others, specify				
5.	Others, specify				
6.	**TOTAL**				

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the company	Brief Description	Details of penalty/ punishment/compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. **Company**	NIL				
Penalty					
Punishment					
Compounding					
B. **Directors**					
Penalty					
Punishment					
Compounding					
C. **Other officers in default**					
Penalty					
Punishment					
Compounding					

Independent Auditor's Report

TO THE MEMBERS OF CHEMICAL LIMES MUNDWA PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Chemical Limes Mundwa Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st December, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31st December, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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 and the reports of the other auditors.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The details of pending litigations which would impact the financial position of the company are listed in Point No. 7 of Annexure pertaining to CARO 2016 and Note 18 to Standalone Ind AS financial statements.

   ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

   iii. Investor Education and Protection Fund is not applicable to the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No. 007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 13.01.2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on other Legal and Regulatory Requirements’ section of our report of even date to the Members of Chemical Limes Mundwa Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Chemical Limes Mundwa Private Limited** (“the Company”) as of December 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No.007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 13.01.2020

Annexure "B" referred to in paragraph 2 under " Report on other Legal and Regulatory requirements" section of our report of even date to the Members of Chemical Limes Mundwa Private Limited

1. In respect of its property, plants and equipment:
   a. The company has maintained proper records showing full particulars including quantitative details and situation of property, plants and equipment on the basis of available information.
   b. As explained to us, all the property, plants and equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c. According to the information and explanations given to us and on the basis of our examination of relevant records of the Company, we report that the title deeds of immovable properties are held in the name of Company. Freehold land amounting ₹1.29 crores of which title is in the name of Company but accounted in Ambuja cements Limited, since acquisition.
2. The Company's business does not involve inventories; hence the requirements of maintenance of records, physical verification and discrepancy for the same are not applicable.
3. The company had not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
4. The company has not given any loans, guarantee and securities during the year; hence the provisions of Section 185 and 186 of the Companies Act, 2013, are not applicable to the Company.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
6. It is informed that the provisions of maintenance of Cost Records pursuant to the Companies (Cost Accounting Records) Rules 2011 as prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 are not applicable to the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the books of account, the undisputed statutory dues pertaining to Income Tax have been regularly deposited with the appropriate authorities. The laws relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
   b. According to the information and explanations given to us and on the basis of our examination of the books of account, there are no outstanding dues at the year end, for a period of more than six months from the date they became payable.
   c. According to the information and explanations given to us and on the basis of our examination of the books of account, there are no undisputed amounts in respect of Income Tax which have not been deposited with the appropriate authorities. The laws relating to Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess are not applicable to the Company.
8. Based on our audit procedures and as per the information and explanations given by the management, the company has not taken any term loan from financial institutions nor has it issued any debentures during the year under report.
9. According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debts instruments) and term loans during the year. Therefore provisions of clause (ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
10. According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
11. No managerial Remuneration has been paid or provided during the year. Therefore, provisions of Clause (xi) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
12. The company is not a Nidhi Company and therefore provisions of Clause (xii) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
13. According to the information and explanations given to us and on the basis of our examination of relevant records of the Company, we report that all transactions with related parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in the financial statements etc., as required by the applicable accounting standard.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore provisions of Clause (xiv) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
15. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, provisions of Clause (xv) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
16. As per the information and explanations given to us, the Company is not required to be registered under 45-IA of the Reserve Bank of India ACT, 1934 and therefore no registration was obtained.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No.007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 13.01.2020

Balance Sheet
As at 31st December, 2019

Particulars	Notes	As at 31.12.2019 ₹	As at 31.12.2018 ₹
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	**15,438,016**	15,900,760
b) Financial assets			
Loans	5	**246,000**	246,000
Other financial assets	6	**1,205,325**	1,138,323
Total - Non-current assets		**16,889,341**	17,285,083
2 Current assets			
a) Financial assets			
Cash and cash equivalents	7	**445,758**	181,872
b) Other current assets	8	**63,891**	46,620
Total - Current assets		**509,649**	228,492
TOTAL - ASSETS		**17,398,990**	17,513,575
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	**51,400,000**	51,400,000
b) Other equity	10	**(49,363,988)**	(46,598,037)
Total Equity		**2,036,012**	4,801,963
Liabilities			
Current liabilities			
a) Financial liabilities			
i) Borrowings	11	**12,800,000**	10,300,000
ii) Other financial liabilities	12	**1,062,978**	911,612
b) Other current liabilities	13	**1,500,000**	1,500,000
Total - Current liabilities		**15,362,978**	12,711,612
TOTAL - EQUITY AND LIABILITIES		**17,398,990**	17,513,575
See accompanying notes to the financial statements.			

In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants

Suresh Pareek
Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

For and on behalf of the Board

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Place : Mumbai
Date : 13.01.2020

Statement of Profit and Loss
For the year ended 31st December, 2019

	Particulars	Notes	2019 ₹	2018 ₹
1	**Income**			
	Other income	12	**72,388**	89,139
	Total Income		**72,388**	89,139
2	**Expenses**			
	a) Finance costs	13	**1,353,768**	1,157,098
	b) Depreciation and amortisation expense	14	**462,744**	462,744
	c) Other expenses	15	**1,021,827**	1,079,485
	Total Expenses		**2,838,339**	2,699,327
3	**Loss for the year**		**(2,765,951)**	(2,610,188)
4	**Total comprehensive loss for the year**		**(2,765,951)**	(2,610,188)
5	**Earnings per share (in ₹) (of ₹ 10 each)**	16		
	Basic		**(0.54)**	(0.51)
	Diluted		**(0.54)**	(0.51)
	See accompanying notes to the financial statements.			

In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants

Suresh Pareek
Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

For and on behalf of the Board

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Place : Mumbai
Date : 13.01.2020

Cash Flow Statement
For the year ended 31st December, 2019

	Particulars	2019 ₹	2018 ₹
A	**Cash flows from operating activities**		
	Profit / (Loss) before tax	**(2,765,951)**	(2,610,188)
	Adjustment for :		
	Interest income	**(72,388)**	(89,139)
	Finance costs	**1,353,768**	1,157,098
	Depreciation and amortisation	**462,744**	462,744
		1,744,124	1,530,703
	Operating loss before working capital changes	**(1,021,827)**	(1,079,485)
	Adjustment for :		
	Increase /(Decrease) in trade payables and other current liabilities	**-**	(21,853)
	Decrease /(increase) in financial and other assets	**(17,271)**	190,077
		(17,271)	168,224
	Cash generated from operations	**(10,39,097)**	(911,261)
	Direct taxes (paid)/refund (net)		
	Net cash used in operating activities (A)	**(10,39,097)**	(911,261)
B	**Cash flow from investing activities**		
	Interest received on fixed deposits	**5,386**	7,992
	Cash flow from Financing activities (B)	**5,386**	7,992
C	**Cash Flow from Financing Activities**		
	Proceed from Ambuja Cements Ltd (ICD)	**2,500,000**	1,800,000
	Interest paid	**(1,202,402)**	(1,002,083)
	Cash flow from Financing activities (C)	**1,297,598**	797,917
	Net increase/ decrease in cash & cash equivalents (A+B+C)	**2,63,886**	(105,352)
	Cash and cash equivalents at the beginning of the year	**181,872**	287,224
	Cash and cash equivalents at the end of the year	**445,758**	181,872
		263,886	(105,352)
	Components of cash and cash equivalents :		
	Cash on hand	**-**	
	With banks - in current accounts	**445,758**	181,872
	Cash and cash equivalents at the year end	**445,758**	181,872

See accompanying notes to the financial statements.

In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants

Suresh Pareek
Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

For and on behalf of the Board

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Place : Mumbai
Date : 13.01.2020

Statement of Changes in Equity for the year ended 31st December, 2019

A Equity Share Capital

For the year ended 31st December, 2019 **(Amount in ₹)**

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
A) Equity share capital		
Opening balance	**51,400,000**	51,400,000
Increase / (Decrease) during the year	**-**	-
Closing balance	**51,400,000**	51,400,000

B Other Equity

For the year ended 31st December, 2019 **(Amount in ₹)**

Particulars	Reserves & surplus		
	Securities premium reserve	Retained earnings	Total other equity
Balance as at 1st January, 2018	12,350,000	(56,337,849)	(43,987,849)
Less: Loss of the year	-	(2,610,188)	(2,610,188)
Balance as at 31st December, 2018	12,350,000	(58,948,037)	(46,598,037)
Balance as at 1st January, 2019	**12,350,000**	**(58,948,037)**	**(46,598,037)**
Less: Loss of the year	**-**	**(2,765,951)**	**(2,765,951)**
Balance as at 31st December, 2019	**12,350,000**	**(61,713,988)**	**(49,363,988)**

Description of reserve in Statement of changes in equity

a) Securities Premium Account

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

See accompanying notes to the financial statements.

In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants
ICAI Firm Reg. No. : 007494C

Suresh Pareek
Membership No. : 76526

Place : Nagaur
Date : 13.01.2020

For and on behalf of the Board

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Place : Mumbai
Date : 13.01.2020

Notes to Financial Statements

1. Corporate Information

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are not listed on any Stock Exchange in India. The registered office of the Company is located at Ambuja Nagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following:

A. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

B. Non-current asset held for sale are measured at the lower of carrying amount and fair value less cost to sell.

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. An item of property, plant and equipment and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. The useful life as estimated is aligned to the prescribed useful life estimates specified under Schedule II of The Companies Act, 2013.

II. Leasehold land including premium is amortized over the period of lease on a straight line basis.

B. Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Company estimates the recoverable amount for the smallest cash generating unit to which the non-financial assets belongs. 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, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

C. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

D. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. Financial assets

The Company's financial assets comprise:

i. Current financial assets mainly consist of trade receivables, investment in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees and non-current deposits.

Initial recognition and measurement of financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- This category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other non-current receivables and non-current financial assets such as financial investments – bond and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

b. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

c. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost or FVTOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

II. **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. **Financial liabilities**

i. **The Company's financial liability comprise:**

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

ii. **Subsequent measurement of financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii. **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

E. **Provisions and contingencies**

I. **Provisions**

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

II. **Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

III. **Contingent asset**

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

F. **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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

G. Borrowing Cost

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

H. Taxation

Tax expense comprises current income tax 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.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

I. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

J. 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.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

K. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 Presentation of financial statements. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

L. Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate primarily to defined benefit obligations, useful life of property plant and equipment, revenue recognition, fair value measurement of financial instruments and mines restoration at the end of the reporting period.

4 Property, Plant and Equipment

(Amount in ₹)

Particulars	As at 31.12.2019								
	Gross block				Accumulated Depreciation				Net block
	As at 1st January, 2019	Additions	Deductions/ Transfers	As at 31st December, 2019	As at 1st January, 2019	Additions	Deductions/ Transfers	As at 31st December, 2019	As at 31st December, 2019
Freehold non-mining land	12,218,994	-	-	12,218,994	608,220	202,740	-	810,960	11,408,034
Buildings	5,069,998	-	-	5,069,998	780,012	260,004	-	1,040,016	4,029,982
Total	17,288,992	-	-	17,288,992	1,388,232	462,744	-	1,850,976	15,438,016

(Amount in ₹)

Particulars	As at 31.12.2018								
	Gross block				Accumulated Depreciation				Net block
	Deemed Cost as at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 31st December, 2018
Freehold non-mining land	12,218,994	-	-	12,218,994	405,480	202,740	-	608,220	11,610,774
Buildings	5,069,998	-	-	5,069,998	520,008	260,004	-	780,012	4,289,986
Total	17,288,992	-	-	17,288,992	925,488	462,744	-	1,388,232	15,900,760

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
5 Loans		
Others	**246,000**	246,000
Total	**246,000**	246,000
6 Other non-current financial assets		
Bank deposits with more than 12 months maturity	**890,120**	890,120
Interest Accrued on FDR	**315,205**	248,203
Total	**1,205,325**	1,138,323
7 Cash and cash equivalents		
Balances with banks In current accounts	**445,758**	181,872
Cash on hand	**-**	-
Total	**445,758**	181,872
8 Other current assets		
Unsecured, considered good		
Advances other than capital advances		
Others	**63,891**	46,620
Total	**63,891**	46,620

Particulars	As at 31.12.2019	As at 31.12.2018
	No. of Shares	No. of Shares
9 Equity Share Capital		
Authorised		
5200000 Equity shares of ₹ 10 each	**5,200,000**	5,200,000
Total	**5,200,000**	5,200,000
Issued, subscribed and fully paid up		
5140000 Equity shares of ₹ 10 each fully paid up	**51,400,000**	51,400,000
Total	**51,400,000**	51,400,000

Notes:

a) Reconciliation of equity shares outstanding

	As at 31.12.2019		As at 31.12.2018	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	**15,140,000**	**51,400,000**	15,140,000	51,400,000
Increase / (decrease) during the year	**-**	**-**	0	-
At the end of the year	**15,140,000**	**51,400,000**	15,140,000	51,400,000

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 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, in proportion to their shareholding, after distribution of all preferential amounts.

c) Equity shares held by holding Company, ultimate holding Company and their subsidiaries

Particulars	As at 31.12.2019	As at 31.12.2018
Ambuja Cements Limited, the holding company		
5,140,000 (31st December, 2018 - 5,140,000) equity shares of ₹ 10 each fully paid up	**51,400,000**	51,400,000

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

	As at 31.12.2019		As at 31.12.2018	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company........	**5,140,000**	**100.00%**	5,140,000	100.00%

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.

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
10 Other Equity		
Securities premium account	**12,350,000**	12,350,000
Retained earnings	**(61,713,988)**	(58,948,037)
Total	**(49,363,988)**	(46,598,037)
11 Borrowings		
Inter corporate Deposit from Ambuja Cements Ltd.	**12,800,000**	10,300,000
Total	**12,800,000**	10,300,000
12 Other Current financial liabilities		
Interest accrued but not due on ICD	**1,055,478**	904,112
Audit Fee payable	**7,500**	7,500
Total	**1,062,978**	911,612
13 Other current liabilities		
Mayank Singh Kachava	**1,500,000**	1,500,000
Total	**1,500,000**	1,500,000
14 Other Income		
Interest on bank fixed deposits	**72,388**	89,139
Total	**72,388**	89,139
15 Finance costs		
Interest on ICD	**1,353,768**	1,157,098
Total	**1,353,768**	1,157,098
16 Depreciation		
Depreciation on tangible Assets	**462,744**	462,744
Total	**462,744**	462,744

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
17 Other Expenses		
Lease dead rent	**875,168**	1,050,000
Legal and professional charges	**43,490**	24,199
Miscellaneous expenses *	**103,169**	-
Total	**1,021,827**	1,074,199
*Miscellaneous expenses include payment to auditors (excluding service tax)		
Statutory auditor		
as auditor	**7,500**	7,500
Total	**7,500**	7,500
18 Earnings per equity share (EPS) :		
(i) Profit attributable to owners of the company for basic and diluted EPS	**(2,765,951)**	(2,610,188)
(ii) Weighted average number of equity shares for basic EPS	**5,140,000**	5,140,000
Weighted average number of shares for diluted EPS	**5,140,000**	5,140,000
(iii) Nominal value of equity share (in ₹)	**10**	10
(iv) Earnings per equity share (in ₹)		
Basic	**(0.54)**	(0.51)
Diluted	**(0.54)**	(0.51)
19 Contingent liabilities (to the extent not provided for)		
Matters for which the company is contingently liable		
Disputed Land tax demand	**33,980,800**	33,980,800

20 Related party disclosure :

"Related Party Disclosure" (Ind AS-24), following are details of transactions during the year with the related parties of the Company as defined in Ind AS 24 :

a) Names of related parties where control exists :

Party	**Nature of Relationship**
LafargeHolcim Ltd.(Formerly known as Holcim Ltd.), Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Details of related parties transactions :

Particulars	**Holding Company - Ambuja Cements Ltd**	
	2019 ₹	2018 ₹
Loans Received	**2,500,000**	18,00,000
Interest paid	**1,353,768**	11,57,334
Amount outstanding as on Balance Sheet date	**12,800,000**	11,204,112

21 Taxation :

Current Tax

In absence of taxable income as per the provisions of the Income Tax Act, 1961 in the current year, provision for current tax has not been made.

Deferred Taxes

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Notes to Financial Statements

22 Classification of Financial Assets and Liabilities

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
Financial Assets at amortised cost :		
Non-current loans	**246,000**	246,000
Cash and bank balances	**445,758**	181,872
Other financial assets	**1,205,325**	1,138,323
Total	**1,651,084**	1,320,195
Financial Liabilities at amortised cost :		
Borrowings	**12,800,000**	10,300,000
Other financial liabilities	**1,062,978**	911,612
Total	**13,862,978**	11,211,612

Previous years' figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

For and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants
ICAI Firm Reg. No. : 007494C

Suresh Pareek
Membership No. : 76526

Vilas Deshmukh
Director

Suresh Chandra Joshi
Director

Place : Nagaur
Date : 13.01.2020

Place : Mumbai
Date : 13.01.2020

Independent Auditor's Report

To The Members of DIRK INDIA PRIVATE LIMITED

Report on the Standalone Financial Statements

Opinion

I have audited the accompanying Standalone financial statements of **Dirk India Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st December, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

These financial statements have been prepared solely to enable Ambuja Cements Limited to prepare its group financial statements.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, and its Loss, total comprehensive Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit of the Standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to my audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the Standalone financial statements.

Key Audit Matters

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report, but does not include the Standalone financial statements and my auditor's report thereon.

My opinion on the Standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or my knowledge obtained during of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard. Management's Responsibility for the Standalone Financial Statements . The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

My objectives is to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on my audit I report that :
   a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
   b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d. In my opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      The company has not paid any remuneration its directors and accordingly – I have nothing to report in this regard.
   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in my opinion and to the best of my information and according to the explanations given to me :
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 30 to the Standalone financial statements & Point 7 in CARO Annexure;
      ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, I give in an annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Anand S. Daga

Chartered Accountant

Proprietor

Membership No. 048684

Place : Nashik

Date : 13 January, 2020

Annexure: Referred to in my report of even date

1. In respect of fixed assets :
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) As explained to me, all the assets have been physically verified by the management at the end of the year. According to the information and explanations given to me no discrepancies have been noticed on such physical verification.
   c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of inventory:
   a) The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable.
   b) No material discrepancies were noticed on physical verification of inventory.
3. The company had not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act,2013 ('the Act ')
4. The company has not granted any loans, has not made any investments nor has given any guarantees or security - hence the compliance as per provisions of section 185 and 186 are not applicable.
5. The Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
6. It is informed that the provisions of maintenance of Cost Record's as prescribed by the Central Government under section 148 (1) of the Companies Act 2013 are not applicable to the Company.
7. a) According to the information and explanations given to me and the books and records examined by me, the company is generally regular in depositing undisputed statutory dues including Provident Fund, ESIC, Income Tax- TDS, Goods and Services Tax , Customs Duty, Cess and other material statutory dues with the appropriate authorities. It is informed that there are no such dues as at 31st December 2019 outstanding for a period exceeding six months from the date they became payable.

   b) According to information and explanations given to me there are no disputed amounts outstanding in respect of Goods and Service Tax , Customs Duty and Cess as at the last day of financial year. The details of disputes in respect of Excise Duty, VAT , Service Tax & Income Tax are as follows:

Sr. No.	Name of the Statute	Nature of Dues/ Dispute	Dispute Amount ₹ In Lacs	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act 1944	Excise Duty on Advance DTA Sale & Non-compliance of Foreign trade policy	128.00 #	2008-09 & 2009-10	CESTAT/ Appellate Committee - New Delhi
2	Madhya Pradesh Vat Act	VAT/Entry Tax	1.23 ##	2011-12	Madhya Pradesh DCST
3	Service Tax	Service Tax	56.93 *	Jan 13-Sep 13 Apr 16-Jun 17	CESTAT (Appellate) Mumbai
4	Income Tax Act 1961 (Departmental Appeal)	Allowability of Section 80-IA Claim	194.82	2009-10	High Court, Mumbai.

Amount of ₹ 35.42 lacs is deposited under protest (includes Bank Guarantees of ₹ 27.42 Lacs).
Amount of ₹ 1.23 Lacs is deposited under protest.
* Amount of ₹ 4.46 Lacs is deposited under protest.

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to me, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of my audit.
11. According to the information and explanations provided to me and based on my examination of the records of the Company, the Company has not paid / provided for managerial remuneration and hence the provisions of section 197 read with schedule V to the Act are not applicable.
12. In my opinion and according to the information and explanations provided to me, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations provided to me and based on my examination of the records of the Company, all the transactions with the related parties are in compliance with Section 188 of the Act, where applicable and the details have been disclosed in the financial statements - as required by the applicable accounting standards.
14. According to the information and explanations provided to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations provided to me and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Anand S. Daga
Chartered Accountant
Proprietor
Membership No. 048684
Place : Nashik
Date : 13 January, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date on the Standalone financial statements of Dirk India Private Limited as at and for the year ended 31st December, 2019

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Dirk India Private Limited ("the Company") as of 31st December, 2019 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Anand S. Daga
Chartered Accountant
Proprietor
Membership No. 048684
Place : Nashik
Date : 13 January, 2020
UDIN No. : 20048684AAAAAB9861

Balance Sheet
As at 31st December, 2019

	Note	As at 31-12-19 ₹	As at 31-12-18 ₹
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**67,954,446**	81,070,969
Intangible assets	4	**-**	-
Financial Assets			
Other financial assets	5	**3,878,450**	3,528,584
Non - current tax assets (net)		**5,976,181**	7,515,952
Deferred tax assets/MAT	6	**29,108,720**	29,108,720
Other non-current assets	7	**4,695,802**	48,860,128
Sub total - Non-current assets		**111,613,599**	170,084,353
Current assets			
Inventories	8	**4,952,902**	7,458,006
Financial Assets			
Trade receivables	9	**92,984,973**	39,411,163
Cash and cash equivalents	10	**8,185,400**	21,181,210
Bank balances other than cash and cash equivalents	11	**2,762,738**	2,606,670
Other financial assets	5	**722,217**	683,040
Other current assets	12	**12,897,914**	3,527,867
Sub total - Current assets		**122,506,144**	74,867,956
TOTAL - ASSETS		**234,119,743**	244,952,309
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	**20,753,830**	20,753,830
Other Equity		**(346,701,579)**	(342,431,399)
Sub total - Equity attributable to owners		**(325,947,749)**	(321,677,569)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	**101,950,940**	120,554,183
Provisions	16	**9,316,804**	9,214,012
Sub total - Non-current liabilities		**111,267,744**	129,768,195
Current liabilities			
Financial Liabilities			
Borrowings	14	**277,412,972**	258,809,729
Trade payables	17	**29,566,934**	65,799,517
Other financial liabilities	15	**137,455,233**	106,966,656
Other current liabilities	18	**4,122,482**	5,054,949
Provisions	16	**242,128**	230,832
Sub total - Current liabilities		**448,799,748**	436,861,683
TOTAL - EQUITY AND LIABILITIES		**234,119,743**	244,952,309

See accompanying notes 1 to 42 to the financial statements.

As per my attached report of even date

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684

Place : Nashik
Date : 13.01.2020

For and on behalf of the Board of Directors

Vilas Deshmukh
Chairman
DIN : 06693563

Sureshchandra Joshi
Director
DIN: 00770370

Statement of Profit and Loss
For the year ended 31st December, 2019

	Note	2019 ₹	2018 ₹
Income			
Revenue from operations	19	**246,223,088**	247,912,572
Other income	20	**864,344**	793,975
Total Income		**247,087,431**	248,706,547
Expenses			
Cost of raw materials consumed	21	**69,058,670**	59,003,100
Changes in inventories of finished goods, work-in-progress	22	**288,240**	(273,483)
Employee benefits expense	23	**38,546,575**	35,824,922
Depreciation and amortisation expense	24	**16,816,178**	21,946,603
Power and fuel		**17,641,575**	19,480,533
Finance costs	25	**46,297,552**	48,412,291
Freight and forwarding expenses	26	**16,802,945**	20,213,999
Other expenses	27	**46,881,683**	52,102,008
		252,333,418	256,709,973
Total expenses		**252,333,418**	256,709,973
Profit / (Loss) before tax		**(5,245,986)**	(8,003,426)
Tax expense :			
Relating to earlier years		**-**	1,269,281
Deferred Tax/MAT		**-**	(305,692)
		-	963,589
Profit / (Loss) for the year		**(5,245,986)**	(8,967,015)
Other comprehensive Income			
Items not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		**975,807**	1,659,771
Other comprehensive income for the year, net of tax		**975,807**	1,659,771
Total comprehensive income/ (Loss) for the year		**(4,270,179)**	(7,307,244)
Earnings per share {in ₹} {of ₹10 each} :	28		
Basic		**(2.53)**	(4.32)
Diluted		**(2.53)**	(4.32)

See accompanying notes 1 to 42 to the financial statements.

As per my attached report of even date

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684

Place : Nashik
Date : 13.01.2020

For and on behalf of the Board of Directors

Vilas Deshmukh
Chairman
DIN : 06693563

Sureshchandra Joshi
Director
DIN: 00770370

Cash Flow Statement
For the year ended 31st December, 2019

	For the period 31-12-19 ₹		For the period 31-12-18 ₹
Cash flow from operating activities			
Net Profit / (Loss) before tax		**(5,245,986)**	(8,003,426)
Adjustments for :			
Depreciation and amortisation	**16,816,178**		21,946,603
(Profit)/Loss on sale of Property, Plant & Equipment descarded and written off (net)	**(8,000)**		-
Finance costs	**46,297,552**		48,412,291
Interest income	**(671,469)**		(553,335)
Provision for slow and non moving inventory	**1,842,596**		(210,839)
Provision for doubtful debts	**480,276**		905,823
Provision no longer required written back	**-**		(250,807)
		64,757,133	70,249,736
Operating profit before working capital changes		**59,511,147**	62,246,310
Adjustment for :			
Decrease / (Increase) Trade receivables, Financial and Non Financial assets	**(19,751,185)**		(1,842,933)
Decrease / (Increase) Inventories	**662,508**		2,504,049
Increase / (Decrease) Trade payables and Financial and Non Financial liabilities and provisions	**(37,014,769)**	**-**	11,431,799
		(56,103,446)	12,092,915
Cash generated from / (used in) operations		**3,407,701**	74,339,225
Direct tax/ MAT Credit (net of refunds)		**1,539,771**	(2,747,140)
Net cash flow from / (used in) operating activities (A)		**4,947,472**	71,592,085
Cash flow from investing activities			
Purchase of Property, Plant & Equipment	**(3,699,655)**		(4,871,758)
Proceed from sale of Property, Plant & Equipment	**8,000**	**-**	-
Investment in bank deposit (having original maturity of more than 3 months)	**(156,068)**		(147,234)
Interest received	**773,804**		547,906
Net cash flow from / (used in) investing activities (B)		**(3,073,919)**	(4,471,086)
Cash flow from financing activities			
Repayment of long-term borrowings	**-**	**-**	-
Interest paid	**(14,869,362)**		(57,982,865)
Net cash flow from / (used in) financing activities (C)		**(14,869,362)**	(57,982,865)
Net increase / (decrease) in cash & cash equivalent (A+B+C)		**(12,995,810)**	9,138,134
Cash and cash equivalent at the end of the period		**8,185,400**	21,181,210
Cash and cash equivalent at the beginning of the period		**21,181,210**	12,043,076
		(12,995,810)	9,138,134
Components of cash and cash equivalents			
Cash on hand		**-**	71,941
With banks -			
In current account		**8,185,400**	21,109,269
Cash and bank balance as per note 10		**8,185,400**	21,181,210

Notes :

1) Figures in brackets represent cash outflow.
2) Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under Section 133 of the Companies Act, 2013.
3) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4) Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress (including Capital Advances) during the year.

See accompanying notes 1 to 42 to the financial statements.

As per my attached report of even date

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684

Place : Nashik
Date : 13.01.2020

For and on behalf of the Board of Directors

Vilas Deshmukh
Chairman
DIN : 06693563

Sureshchandra Joshi
Director
DIN: 00770370

Statement of Changes in Equity for the year ended 31st December, 2019

		As at 31.12.2019 ₹	As at 31.12.2018 ₹
A.	**Equity**		
	Opening Balance	**20,753,830**	20,753,830
	Changes during the year	**-**	-
	Closing Balance	**20,753,830**	20,753,830

B. Other Equity

For the year Ended 31 December 2019 (Amount in ₹)

	Reserves & surplus - ₹		
	General Reserve	**Retained Earnings**	**Total equity ₹**
Balance as at 1 January, 2019	**36,083,142**	**(378,514,541)**	**(342,431,399)**
(Loss) for the year	**-**	**(5,245,986)**	**(5,245,987)**
Remeasurement gain / (loss) on defined benefit plan	**-**	**975,807**	**975,807**
Balance Sheet as at 31st December, 2019	**36,083,142**	**(382,784,721)**	**(346,701,579)**

For the year ended 31st December, 2018 (Amount in ₹)

	Reserves & surplus - ₹		
	General Reserve	**Retained Earnings**	**Total equity ₹**
Balance as at 1 January, 2018	36,083,142	(371,207,297)	(335,124,155)
Profit for the year	-	(8,967,015)	(8,967,015)
Remeasurement gain/(loss) on defined benefit plan	-	1,659,771	1,659,771
Other Comprehensive Income/(Loss) for the year	-	-	-
Total Comprehensive Income/(Loss) for the year	-	(7,307,244)	(7,307,244)
Dividends (Includes Distribution tax)	-	-	-
Transfer to retained Earnings	-	-	-
Transfer from retained Earnings	-	-	-
Balance Sheet as at 31st December, 2018	36,083,142	(378,514,541)	(342,431,399)

Description of reserve in Statement of changes in equity

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. This can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

See accompanying notes 1 to 42 to the financial statements.

As per my attached report of even date

For and on behalf of the Board of Directors

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684

Vilas Deshmukh
Chairman
DIN : 06693563

Sureshchandra Joshi
Director
DIN: 00770370

Place : Nashik
Date : 13.01.2020

Notes to Financial Statements

1 Corporate Information :

The Company is a Private Limited Company domiciled in India, wholly owned Subsidiary of Ambuja Cements Limited and incorporated under the provision of Companies act applicable in India. The registered office of the Company is located at Nashik, Maharashtra, India.

The Company is engaged in the manufacturing and selling of Pozzocrete (Classified FlyAsh), Cement related products and Jobwork.

2 Basis of Preparation :

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act,2013 ('the Act").

The financial statements have been prepared on a historical cost basis, except for the following:

- Defined benefit plans – plan assets measured at fair value.

Financial statements are presented in INR

3 Significant Accounting Policies :

a. Property, plant and equipment :

i. Property, plant and equipment are stated at their original cost of acquisition / installation (net of Cenvat and VAT / GST credit wherever applicable) net of accumulated depreciation, amortization and impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost to the item can be measured reliably. When significant parts of plants and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

ii. Spares which meet the definition of Property, Plant and Equipment are capitalized as on the date of acquisition. The corresponding old spares are decapitalized on such date with adjacent impact in the statement of profit and loss.

iii. Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work -in-progress". Advances given towards acquisition/construction of fixed assets outstanding at each Balance sheet date are disclosed as Capital Advances under "Other non current assets".

iv. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

v. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

b. Depreciation :

i. Tangible Assets :

I. Depreciation on assets is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

II. Depreciation on additions to Property, plant and equipment 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.

III. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

ii. Intangible Assets :

I. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in business combination in their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

II. Expenditure on computer software is amortized on straight line method over the period of expected benefit not exceeding five years.

III. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

IV. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Impairment of non-financial assets: -

The carrying amounts of other non-financial assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss, if any is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets 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 risk specific to the assets. A previously recognised impairment loss if any, is increased or reversed depending on the changes in circumstances, however the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortization if there was no impairment.

c. Inventories :

Inventories are valued after providing for obsolescence, as follows :

i. Raw Materials, Stores & Spare parts, Fuel and Packing Material :

Lower of cost and net realizable 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 weighted average basis.

ii. Finished goods and stock in trade :

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on weighted average basis.

Net realizable 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.

d. Financial Instruments :

The presentation of financial instrument is as per applicable IND AS.

e. Provisions and Contingencies :

A provision is recognized 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 (excluding retirement benefits) 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.

f. Foreign Currency Conversion :

The Company's financial statements are presented in Indian National Rupee (INR) which is also its functional currency.

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.

g. Revenue recognition :

i. 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, regardless of when the payment is being made.

ii. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

iii. The specific recognition criteria described below must also be met before revenue is recognised.

a) Sale of goods

Revenue is recognized 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.

The Government of India introduced the Goods and Service tax (GST) with effect from 1st July 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in equity, consequently revenue is presented net of GST.

Revenue are disclosed are inclusive of excise duty and net of sales tax / value added tax / GST, discounts and sales returns, as applicable.

b) Rendering of services

Revenue from services is recognised (net of service tax / GST, as applicable) pro-rata over the period of the contract as and when services are rendered.

c) Interest income

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

h. Retirement and other employee benefits :

i. Defined Contribution Plan:

Employee benefits in the form of contribution to 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 benefit in the form of Gratuity, is considered as defined benefit obligation and is provided for on the basis of actuarial valuation as at the date of Balance Sheet. Re-measurement, comprising of Actuarial gain / loss, if any, is immediately recognised in Other Comprehensive Income (OCI) under retained earnings. The same is not reclassified to Statement of Profit and Loss. Prior year comparisons are treated accordingly. Interest cost on actuarial valuation are recognized under finance cost as per IND AS 19. Earlier in IGAAP Actuarial gain/loss and Interest cost were recognized under Employee benefit expenses.

iii. Presentation and disclosure:

For the purpose of presentation of Defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary.

i. Borrowing Costs :

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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 probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

k. Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a 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 unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l. Segment Reporting :

Operating segment are reported in a manner consistent with the internal reporting provided to chief operating decision maker.

The board of directors of the company has appointed Management team which has been identified as being the chief operating decision makers, consists of Unit Head, Unit Finance Controller, Manufacturing Manager, Sales & Marketing Manager. They assess the financial performance and position of the Company and makes strategic decisions.

m. Cash and Cash equivalents :

Cash and Cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. 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.

o. Classification of Current / Non-Current Assets and Liabilities :

All assets and liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

p. Significant estimates and assumptions :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

q. Classification of Legal matters and Tax litigations:

The litigations and claims to which the Company is exposed are assessed by management with assistance and support of external specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

All estimates mentioned above are further detail in the corresponding disclosure.

4 Property, Plant and Equipment

(Amount in ₹)

Particulars		As at 31.12.2019								
		Gross block				Depreciation and Amortisation				Net block
		As at 01.01.2019	Additions	Deductions /Transfer	As at 31.12.2019	As at 01.01.2019	Additions #	Deductions / Transfer #	As at 31.12.2019	As at 31.12.2019
		₹	₹	₹	₹	₹	₹	₹	₹	₹
(A)	**Tangible assets**									
	Freehold land	**7,270,210**	-	-	**7,270,210**	**-**	-	-	**-**	**7,270,210**
	Buildings and roads	**47,750,733**	-	-	**47,750,733**	**6,591,691**	1,681,523	-	**8,273,214**	**39,477,519**
	Plant and machinery	**84,578,343**	2,762,886	-	**87,341,229**	**56,512,645**	13,807,246	-	**70,319,891**	**17,021,338**
	Electrical installations	**5,500,141**	323,500	-	**5,823,641**	**3,188,050**	981,852	-	**4,169,902**	**1,653,739**
	Furniture and fixtures	**3,445,554**	117,141	-	**3,562,695**	**1,468,122**	175,301	-	**1,643,423**	**1,919,272**
	Office & Other equipments	**411,287**	496,128	75,190	**832,225**	**142,419**	164,577	75,190	**231,806**	**600,419**
	Vehicles	**34,618**	-	-	**34,618**	**16,990**	5,679	-	**22,669**	**11,949**
	Total Tangible assets	**148,990,886**	3,699,655	75,190	**152,615,351**	**67,919,917**	16,816,178	75,190	**84,660,905**	**67,954,446**
(B)	**Capital Work In Progress**	**-**	-	-	**-**	**-**	-	-	**-**	**-**
	Total Capital Work In Progress	**-**	-	-	**-**	**-**	-	-	**-**	**-**
(C)	**Intangible assets**									
	Computer software	**1,123,477**	-	-	**1,123,477**	**1,123,477**	-	-	**1,123,477**	**-**
	Total Intangible assets	**1,123,477**	-	-	**1,123,477**	**1,123,477**	-	-	**1,123,477**	**-**
	Total (A+B+C)	**150,114,363**	3,699,655	75,190	**153,738,828**	**69,043,394**	16,816,178	75,190	**85,784,382**	**67,954,446**

(Amount in ₹)

Particulars		As at 31.12.2018								
		Gross block				Depreciation and Amortisation				Net block
		Deemed cost as at 01.01.2018 (Refer Note 4 A)	Additions	Deductions /Transfer	As at 31.12.2018	As at 01.01.2018	Additions	Deductions /Transfer	As at 31.12.2018	As at 31.12.2018
		₹	₹	₹	₹	₹	₹	₹	₹	₹
(B)	Tangible assets									
	Freehold land	7,270,210	-	-	7,270,210	-	-	-	-	7,270,210
	Buildings and roads	47,750,733	-	-	47,750,733	4,938,773	1,652,918	-	6,591,691	41,159,042
	Plant and machinery	82,251,075	2,327,268	-	84,578,343	38,122,106	18,390,539	-	56,512,645	28,065,698
	Electrical installations	3,229,811	2,270,330	-	5,500,141	2,043,731	1,144,319	-	3,188,050	2,312,091
	Furniture and fixtures	3,445,554	-	-	3,445,554	1,067,804	400,318	-	1,468,122	1,977,432
	Office & Other equipments	137,127	274,160	-	411,287	45,167	97,252	-	142,419	268,868
	Vehicles	34,618	-	-	34,618	11,332	5,658	-	16,990	17,628
	Total Tangible assets	144,119,128	4,871,758	-	148,990,886	46,228,913	21,691,004	-	67,919,917	81,070,969
(B)	Capital Work In Progress	-	-	-	-	-	-	-	-	-
	Total Capital Work In Progress	-	-	-	-	-	-	-	-	-
(C)	Intangible assets									
	Computer software	1,123,477	-	-	1,123,477	867,878	255,599	-	1,123,477	-
	Total Intangible assets	1,123,477	-	-	1,123,477	867,878	255,599	-	1,123,477	-
	Total (A+B+C)	14,52,42,605	4,871,758	-	150,114,363	47,096,791	21,946,603	-	69,043,394	81,070,969

Notes to Financial Statements

		Non-Current		Current	
		As at 31.12.2019	As at 31.12.2018	**As at 31.12.2019**	As at 31.12.2018
		₹	₹	₹	₹
5	**Other Financial Assets**				
	Advances to Employees	**-**	-	**339,931**	198,419
	Interest Accrued on Deposits and investment	**-**	-	**382,286**	484,621
	Fixed Deposit With Bank with maturity greater than twelve months*	**3,878,450**	3,528,584	**-**	-
	Total	**3,878,450**	3,528,584	**722,217**	683,040

(*Lodged as Security with Government departments.)

		Non-Current		Current	
		As at 31.12.2019 ₹	As at 31.12.2018 ₹	**As at 31.12.2019 ₹**	As at 31.12.2018 ₹
6	**Deferred tax assets/MAT**				
	MAT credit entitlement	**29,108,720**	29,108,720		
		29,108,720	29,108,720		
7	**Other Non-Current Assets**				
	Security Deposits	**3,781,358**	3,781,721		
	Balance with Government Authorities	**914,444**	914,444		
	Deposit in court regarding Flyash dispute with Mahagenco	**-**	44,163,963		
	Total	**4,695,802**	48,860,128		

		Non-Current	Current	
			As at 31.12.2019 ₹	As at 31.12.2018 ₹
8	**Inventories**			
	(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)			
	Raw materials		**207,765**	418,777
	Finished goods		**149,969**	438,209
	Stores and spares parts		**2,841,347**	3,569,130
	Packing materials		**1,753,821**	3,031,890
	Total		**4,952,902**	**7,458,006**
9	**Trade Receivables**			
	Unsecured, considered good		**92,984,974**	39,411,163
	Unsecured, considered doubtful		**4,104,268**	3,623,992
			97,089,241	43,035,155
	Less:- Provision for Doubtful receivables		**4,104,268**	3,623,992
	Total		**92,984,973**	39,411,163

		As at 31.12.2019 ₹	As at 31.12.2018 ₹	As at 31.12.2019 ₹	As at 31.12.2018 ₹
10	**Cash and cash Equivalents**				
	Balances with banks				
	In current accounts	-	-	8,185,400	21,109,269
	Cash on hand	-	-	-	71,941
	Total	-	-	8,185,400	21,181,210
11	**Bank balances other than Cash and cash Equivalents**				
	Fixed deposit with banks *				
	Original maturity more than 3 months and upto 12 months	-	-	2,762,738	2,606,670
	Total	-	-	2,762,738	2,606,670
12	**Other Current Assets**				
	Balance with Government Authorities	-	-	84,558	651,900
	Advances to Suppliers	-	-	8,121,596	1,996,988
	Prepaid Expenses	-	-	691,427	878,979
	Deposit in court regarding Flyash dispute with Mahagenco	-	-	4,000,333	-
	Total	-	-	12,897,914	3,527,867

		As at 31.12.2019		As at 31.12.2018	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
13	**Equity Share Capital**				
	Share capital				
	Authorised				
	Equity shares of ₹10 each	3,500,000	35,000,000	3,500,000	35,000,000
	Issued, Subscribed and fully paid-up				
	Equity shares of ₹10 each fully paid-up	2,075,383	20,753,830	2,075,383	20,753,830
a)	**Reconciliation of equity shares outstanding**				
	At the beginning of the year	2,075,383	20,753,830	2,075,383	20,753,830
	At the end of the year	2,075,383	20,753,830	2,075,383	20,753,830
b)	**Equity shares held by holding company, ultimate holding company and their subsidiaries**				
	Ambuja Cements Limited	2,075,383	20,753,830	2,075,383	20,753,830
c)	**List of shareholders holding more than 5% of paid up Equity Share Capital**				

	As at 31.12.2019		As at 31.12.2018	
	No. of shares	% holding	No. of shares	% Holding
Ambuja Cements Limited	2,075,383	100%	2,075,383	100%

d) Rights, preferences and restrictions attached to equity shares

i) The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder of equity share is entitled to one vote per equity share.

ii) 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.

		Non-Current		Current	
		As at 31.12.2019 ₹	As at 31.12.2018 ₹	**As at 31.12.2019 ₹**	As at 31.12.2018 ₹
14	**Borrowings**				
	Unsecured				
	Term Loans				
	Loan from Ambuja Cements Limited #	**101,950,940**	120,554,183	**74,412,972**	55,809,729
	Inter - Corporate deposit from Ambuja Cements Limited	**-**	-	**203,000,000**	203,000,000
	Total	**101,950,940**	120,554,183	**277,412,972**	258,809,729
	# Loan and Inter-Corporate deposit from Ambuja Cements Limited carries interest rate of 12% p.a.				
15	**Other Financial Liabilities**				
	Interest accured but not due - Ambuja Cements Limited	**-**	-	**136,642,565**	105,970,059
	Security and other deposits	**-**	-	**812,668**	996,597
	Total	**-**	-	**137,455,233**	106,966,656
16	**Provision**	**9,316,804**	9,214,012	**242,128**	230,832
	Provision for gratuity and staff benefit schemes	**9,316,804**	9,214,012	**242,128**	230,832
17	**Trade Payables**				
	Trade Payables	**-**	-	**29,566,934**	65,799,517
	Due to micro and small enterprises (To the extent identified with available information)	**-**	-	**-**	-
	Total	**-**	-	**29,566,934**	65,799,517
18	**Other Current Liabilities**				
	Advance from customers and others	**-**	-	**425,645**	391,478
	Statutory dues	**-**	-	**1,564,052**	2,221,920
	Others	**-**	-	**2,132,784**	2,441,551
	Total	**-**	-	**4,122,482**	5,054,949

		2019 ₹	2018 ₹
19	**Revenue from Operations**		
	Sale of product (including excise duty)		
	Sale of Goods	**79,989,145**	101,396,782
		79,989,145	101,396,782
	Other operating revenue		
	Revenue from Jobwork*	**114,977,622**	134,303,124
	By-product revenue	**51,032,029**	11,608,048
	Provision no longer required written back	**-**	250,807
	Sale of scrap	**224,292**	353,811
		166,233,943	146,515,790
	Total	**246,223,088**	247,912,572

* Revenue From Jobwork Includes material sales

Notes to Financial Statements

		2019 ₹	2018 ₹
20	**Other Income**		
	Interest Income	**671,469**	**553,335**
	Profit on sale of assets	**8,000**	-
	Misc. Income	**184,875**	240,640
	Total	**864,344**	793,975
21	**Cost of Raw Material Consumed**		
	Opening stock	**418,777**	1,139,513
	Add: Purchases	**68,847,658**	58,282,364
	Less: Closing stock	**207,765**	418,777
	Total	**69,058,670**	59,003,100
22	**Change in inventories of finished goods, work in progress**		
	Closing stock		
	Finished goods - closing	**149,969**	438,209
		149,969	438,209
	Opening stock		
	Finished goods - opening	**438,209**	164,726
		438,209	164,726
	Total	**288,240**	(273,483)
23	**Employee Benefit Expenses**		
	Salaries and wages	**33,635,730**	31,211,866
	Contribution to provident and other funds	**2,527,900**	2,390,230
	Staff welfare expenses	**2,382,945**	2,222,826
	Total	**38,546,575**	35,824,922
24	**Depreciation and Amortisation Expenses**		
	Depreciation on tangible assets	**16,816,178**	21,691,004
	Amortisation on intangible assets	**-**	255,599
	Total	**16,816,178**	21,946,603
25	**Finance Cost**		
	Interest on borrowings	**45,523,670**	45,523,668
	Interest Expenses - Defined Employee Benefits	**755,684**	700,613
	On others	**18,198**	2,188,010
	Total	**46,297,552**	48,412,291

		2019 ₹	2018 ₹
26	**Freight and Forwarding Expenses**		
	On finished products	**16,802,945**	20,213,999
	Total	**16,802,945**	20,213,999
27	**Other Expenses**		
	Stores and spares consumed	**2,739,350**	5,609,838
	Packing material consumed	**4,188,588**	4,573,751
	Repairs and maintenance		
	Building	**844,035**	807,036
	Machinery	**2,888,557**	5,150,655
	Other	**164,540**	1,808,355
	Rent	**142,000**	126,000
	Rates and taxes	**263,511**	204,050
	Insurance	**740,735**	837,189
	Advertisement and publicity	**6,000**	9,578
	Donation	**11,000**	11,000
	Other Outsourced Services - Material Handling	**19,352,275**	19,790,852
	Miscellaneous expenses*	**15,541,093**	13,173,704
	Total	**46,881,683**	52,102,008
	*Miscellaneous expenses include payment to auditors (excluding of taxes)		
	Statutory auditor		
	as auditor	**700,000**	700,000
	for other services	**300,000**	300,000
		1,000,000	1,000,000
28	**Earnings per equity share (EPS) :**		
	(i) Profit/ (Loss) attributable to equity shareholders for basic and diluted EPS	**(5,245,986)**	(8,967,015)
	(ii) Weighted average number of equity shares for basic EPS	**2,075,383**	2,075,383
	Weighted average number of shares for diluted	**2,075,383**	2,075,383
	(iii) Nominal value of equity share (in ₹)	**10**	10
	(iv) Earnings per equity share (in ₹)		
	Basic	**(2.53)**	(4.32)
	Diluted	**(2.53)**	(4.32)

29 Segment reporting (Ind AS 108)

The Company is engaged in the business of 'Cementitious Materials' - As per Ind AS 108 " Operating segments" specified under section 133 of the Companies Act 2013.

Notes to Financial Statements

30. Contingent liabilities and commitments (to the extent not provided for)

	2019 ₹	2018 ₹
Contingent liabilities and claims against the Company not acknowledged as debts related to the matter given below. Future cash outflows, in respect of these are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
(i) Service Tax	**3,794,000**	3,794,000

31. Settlement of Dispute with Mahagenco

The Company's agreement with Maharashtra State Power Generation Company Limited (MAHAGENCO), for supply of Pulverized Fly Ash (PFA) was under dispute. Re-arbitration proceedings were initiated. The said dispute was resolved vide Consent Terms dated 18th September 2019 signed between Dirk India Private Limited and MAHAGENCO and subsequent Arbitration Award dated 21st September 2019 accepted by both the parties. As per the said Consent Terms and Award – Dirk India Private Limited will continue to get supply of Pulverized Fly Ash as per Original Agreement with MAHAGENCO (Erstwhile Maharashtra State Electricity Board) dated 4th October 2000 for a period 30 years at revised terms.

32 Related party disclosure (Ind AS 24)

(a) List of Related Parties and relationships :

	Party	Relation
I	Enterprises who control the reporting enterprise/ Major Shareholders	
	LafargeHolcim Ltd.(Formerly known as Holcim Ltd.), Switzerland	Ultimate Holding Company
	Ambuja Cements Limited, India	Holding Company
II	Key Management Personnel	-
III	Relatives of Key Management Personnel	-
IV	Others-with whom transactions have taken place during the period	-
	ACC Limited, India	Subsidary of Holding Company

Note: Only enterprises / parties with whom there are transactions during the current period / previous period are considered above.

(b) Details of related party transactions

		During the year 2019 ₹	During the year 2018 ₹
A	**Transaction with Holding Company**		
1	**Sale of Goods**		
	Ambuja Cements Limited	**5,690,076**	8,634,999
		5,690,076	8,634,999
2	**Providing services - Job work**		
	Ambuja Cements Limited	**135,673,594**	160,492,154
		135,673,594	160,492,154
3	**Purchase of Assets**		
	Ambuja Cements Limited	-	149,860
		-	149,860
4	**Interest Paid / Provided**		
	Ambuja Cements Limited	**45,523,670**	45,523,668
		45,523,670	45,523,668
		As at 2019 ₹	As at 2018 ₹
5	**Loan taken outstanding at the end of the year**		
	Ambuja Cements Limited	**379,363,912**	379,363,912
		379,363,912	379,363,912

		As at 2019 ₹	As at 2018 ₹
6	**Amount Receivable**		
	Ambuja Cements Limited	**78,073,859**	26,928,969
		78,073,859	26,928,969
7	**Amount Payable**		
	Ambuja Cements Limited	**136,642,565**	105,970,059
		136,642,565	105,970,059

		2019 ₹	2018 ₹
B	**Transaction with Subsidary of Holding Company**		
1	**Sale of Goods**		
	ACC Limited	**-**	313,128
		-	313,128

Notes : Related party relationship is as identified by the company on the basis of available information.

33 Employee benefits:

a) Defined Contribution Plans

The Company has recognised expenses towards the defined contribution plans as under :

	2019 ₹	2018 ₹
Contribution to employees' provident fund organisation	**1,444,661**	1,254,604
Others	**329,413**	329,065
Total	**1,774,074**	1,583,669

b) Defined Benefit Plans - as per actuarial valuation

The company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure, at 15 days salary (on last drawn basic salary) for each completed year of service.

The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and amounts recognised in the balance sheet:

Particulars			**Other non funded 31.12.2019**	Other non funded 31.12.2018
I	Change in defined benefit obligation during the year			
	1	Present value of defined benefit obligation at the beginning of the year	**9,444,844**	9,597,441
	2	Current service cost	**753,861**	806,561
	3	Interest cost	**755,684**	700,613
	4	Past service cost	**-**	-
	5	Actuarial (gains) / losses	**(975,807)**	(1,659,771)
	6	Benefits payments	**(419,650)**	-
	7	Present value of defined benefit obligation at the end of the year	**9,558,932**	9,444,844

	Particulars		Other non funded 31.12.2019	Other non funded 31.12.2018
II	Expense recognised in the statement of profit and loss			
	1	Current service Cost	**7,53,861**	8,06,561
	2	Interest cost	**7,55,684**	7,00,613
	3	Past service cost	**-**	-
	4	Expected return on plan assets	**-**	-
	5	Total expenses recognised in the statement of profit and loss	**15,09,545**	15,07,174
III	Re-measurements recognised in Other Comprehensive income (OCI)			
	1	Return on Plan assets (excluding amount included in net interest expenses)	**-**	-
	2	Acturial (gain)/losses arising from changes in demographic assumption	**(225)**	NA
	3	Acturial (gain)/losses arising from changes in financial assumption	**(392,040)**	(8,57,428)
	4	Acturial (gain)/losses arising from changes in experience adjustment on plan liabilities	**(583,543)**	(8,02,343)
	5	**Total recognised in Other Comprehensive income**	**(975,807)**	(16,59,771)
	6	**Total recognised in Total Comprehensive income**	**533,738**	(1,52,597)
IV	Net Asset / (Liability) recognised in the Balance Sheet			
	1	Present value of defined benefit obligation	**95,58,932**	94,44,844
	2	Fair value of plan assets	**-**	-
	3	Funded status [surplus / (deficit)]	**(95,58,932)**	(94,44,844)
	4	Net asset / (liability)	**(95,58,932)**	(94,44,844)
V	Actuarial assumptions:			
	1	Discount rate	**7% p.a.**	8.10% p.a.
	2	Expected rate of return on plan assets	**0% p.a.**	0% p.a.
	3	Mortality	**IALM (2006-08)**	IALM (2006-08)
	4	Turnover rate	**2% p.a.**	2% p.a.
	5	Medical premium inflation	**NA**	NA
	6	Retirement age	**58 Yrs**	58 Yrs
	7	Salary escalation	**6.5% p.a.**	8% p.a.
VI	Maturity profile of defined benefit obligation			
	1	Within the next 12 months	**2,42,128**	2,30,832
	2	Between 1 and 5 years	**21,79,117**	16,42,318
	3	Between 5 and 10 years	**45,42,745**	46,88,155
VII	Sensitivity Analysis for significant assumption			
		Discount Rate		
		1% Increase	**86,75,090**	85,08,093
		1% Decrease	**1,05,80,342**	1,05,33,534
		Salary escalation rate		
		1% Increase	**1,05,75,233**	1,05,23,893
		1% Decrease	**86,63,399**	84,99,171

			2019		2018	
			₹	%	₹	%
34.	**(a)**	**Raw materials consumed :**				
		(i) Imported	**-**	**-**	-	-
		(ii) Indigenous	**6,90,58,670**	**100.00**	5,90,03,100	100.00
		Total	**6,90,58,670**	**100.00**	5,90,03,100	100.00
	(b)	**Spares consumed :**				
		(i) Imported	**88,458**	**3.23**	5,83,623	10.40
		(ii) Indigenous	**26,50,892**	**96.77**	50,26,215	89.60
		Total	**27,39,350**	**100.00**	56,09,838	100.00

			Foreign Currency	In ₹	Foreign Currency	In ₹
35.	**Unhedged foreign currency exposure**					
	Outstanding trade receivables	In USD	-	-	-	-

		2019	2018
		In ₹	In ₹
36.	**CIF value of imports :**		
	(i) Components and spare parts	**96,605**	4,58,232
37.	**Expenditure in foreign currency (accrual basis) :**		
	(i) Spares for machinery	**90,280**	4,19,289
38.	**Earnings in foreign exchange (accrual basis) :**		
	(i) F.O.B. value of exports	**1,59,104**	5,04,871
39.	**Reconciliation of Effective Tax Rate:**		
	Applicable tax rate	**26.00%**	26.00%
	Effect of tax exempt income	**-**	-
	Effect of Non-deductible expenses	**-**	-
	Effect of allowance for tax purpose	**-**	-
	Effect of tax paid at lower rate	**-**	-
	Effect of previous year adjustment	**-**	-
	Others	**-26.00%**	-26.00%
	Effective tax rate	**0.00%**	0.00%

40. The company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the period end as required under the said Act, have not been furnished.

		As at 31.12.2019 ₹	As at 31.12.2018 ₹
41.	**Deferred tax assets (net)**		
	Break-up of deferred tax assets and liabilities are as under :		
	a) Deferred tax assets, on account of :		
	Employee benefits	**-**	-
	Unabsorbed loss	**-**	-
	Total	**-**	-
	b) Deferred tax liabilities, on account of :		
	Depreciation	**-**	-
	Total	**-**	-
	c) MAT credit entitlement :	**2,91,08,720**	2,91,08,720
	Total	**2,91,08,720**	2,91,08,720

42. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

See accompanying notes 1 to 42 to the financial statements.

As per our attached report of even date
For **Anand Daga**
Chartered Accountants
Proprietor
Membership No. 048684

For and on behalf of the Board of Directors

Vilas Deshmukh
Chairman
DIN : 06693563

Sureshchandra Joshi
Director
DIN: 00770370

Place : Nashik
Date : 13.01.2020

Independent Auditor's Report

To The Members of DANG CEMENT INDUSTRIES PRIVATE LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Dang Cement Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st December 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and which includes a joint operation accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operation referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information, compare with the financial statements of the joint operation audited by the other auditors, to the extent it relates to the joint operation and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operation, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind ASand other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the joint operation, referred to in the Other Matters section above we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operation so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements –Refer Note X to the standalone financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, on the basis of information available with the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **B&B Associates**
Chartered Accountants
(Firm Registration No. 100)

BM Dungana, FCA
Managing Partner
(Membership No. 327)

Place: Kathmandu
Date: 27/01/2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone Ind AS financial statements of Dang Cement Industries Private Limited as at and for the year ended 31st December, 2019)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dang Cement Industries Private Limited ("the Company") as of 31st December, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company's joint operation which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its joint operation company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the joint operation which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on internal financial controls system over financial reporting of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to joint operation which is a company incorporated in India, is based solely on the corresponding reports of the other auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For **B & B ASSOCIATES**
Chartered Accountants
(Firm Registration No. 100)

B. M. Dhungana, FCA
Managing Partner
(Membership No. 327)

Place: Kathmandu
Date : 27/01/2020

Balance Sheet
As at 31st December, 2019

	Notes	As at 31.12.2019 ₹	As at 31.12.2018 ₹
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**42,081,560**	39,138,324
Capital work-in-progress		**-**	-
Financial Assets			
Others	5	**250,000**	250,000
Sub total - Non-current assets		**42,331,560**	39,388,324
Current assets			
Financial Assets			
(i) Cash and cash equivalents	6	**8,524,011**	12,538,980
(ii) Bank balances other than (i) above.	7	**18,750,000**	25,000,000
(iii) Others	8	**278,361**	541,438
Other current assets	9	**6,053,349**	4,504,442
Sub total - Current assets		**33,605,721**	42,584,860
TOTAL - ASSETS		**75,937,281**	81,973,184
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	**138,412,188**	138,412,188
Other Equity	11	**(62,551,647)**	(56,487,198)
Sub total - Equity attributable to owners		**75,860,541**	81,924,990
Non-Current Liabilities			
Deferred Tax Liabilities	12	**656**	656
Current liabilities			
Financial Liabilities			
Other financial liabilities	13	**76,084**	47,538
Sub total - Current liabilities		**76,084**	47,538
TOTAL - EQUITY AND LIABILITIES		**75,937,281**	81,973,184

See accompanying notes 1 to 21 to the financial statements

As per our attached report of even date

For **B & B ASSOCIATES**
Chartered Accountants

B. M. Dhungana
Partner
Membership No. 327 (Institute of Chartered Accountants of Nepal)

For and on behalf of the Board

Suresh Chandra Joshi
Director

Rajiv Gandhi
Director

Place : Kathmandu
Date : 27/01/2020

Statement of Profit and Loss
For the year ended 31st December, 2019

Particulars		Notes	For the year ended 31st December 2019 ₹	For the year ended 31st December 2018 ₹
1.	**Income:**			
	(a) Other Income	14	**2,269,955**	3,278,566
	Total Income		**2,269,955**	3,278,566
2.	**Expenses :**			
	(a) Depreciation and amortization expense	15	**181,764**	182,459
	(b) Other expenses	16	**8152640**	4149506
	Total Expense		**8,334,404**	4,331,965
3.	**Loss before tax (1-2)**		**(6,064,449)**	(1,053,399)
4.	**Tax expense:**			
	(a) Deferred Tax		**-**	-
			-	-
5.	**Loss after tax (3-4)**		**(6,064,449)**	(1,053,399)
6.	**Other Comprehensive Income**		**-**	-
7.	**Total comprehensive income / (loss) for the year, net of tax (5+6)**		**(6,064,449)**	(1,053,399)
8.	**Earnings per equity share (in ₹) (of ₹ 62.50 each)**			
	Basic		**(2.74)**	(0.48)
	Diluted		**(2.74)**	(0.48)

See accompanying notes 1 to 21 to the financial statements.

As per our attached report of even date

For **B & B ASSOCIATES**
Chartered Accountants

B. M. Dhungana
Partner
Membership No. 327 (Institute of Chartered Accountants of Nepal)

For and on behalf of the Board

Suresh Chandra Joshi
Director

Rajiv Gandhi
Director

Place : Kathmandu
Date : 27/01/2020

Cash Flow Statement
For the year ended 31st December, 2019

Particulars	2019 ₹	2018 ₹
A) Cash flows from operating activities		
Loss before tax	**(6,064,449)**	(1,053,399)
Adjustment for :		
Depreciation and amortisation	**181,764**	182,459
Interest Income	**(2,269,955)**	(3,278,566)
	(2,088,191)	(3,096,107)
Operating loss before working capital changes	**(8,152,640)**	(4,149,506)
Movement in working Capital :		
Increase / (Decrease) in trade payables and other current liabilities	**28,546**	(270)
Decrease / (increase) in financial and other assets	**32,584**	(46,875)
	61,130	(47,145)
Cash generated from operations	**(8,091,510)**	(4,196,651)
Direct taxes paid	**(1,581,491)**	(875,346)
Net cash flow from / (used in) operating activities (A)	**(9,673,001)**	(5,071,997)
B) Cash flows investing activities		
Purchase of Fixed assets	**3,125,000**	-
Interest received on Fixed Deposits with banks	**2,533,032**	3,140,423
Net Cash flow from / (used in) investing activities (B)	**5,658,032**	3,140,423
Net increase / (decrease) in cash & cash equivalents (A+B)	**(4,014,969)**	(1,931,574)
Cash and cash equivalents at the end of the year	**8,524,011**	12,538,980
Cash and cash equivalents at the beginning of the year	**12,538,980**	14,470,554
	(4,014,969)	(1,931,574)
Components of cash and cash equivalents :		
Cash on hand	**440,863**	22,119
With banks - in current accounts	**8,083,148**	3,141,861
- in Fixed Deposit (Maturity value 3 months or less)	**-**	9,375,000
Cash and cash equivalents at the year end	**8,524,011**	12,538,980

Notes :

1) Figures in brackets represent outflow.
2) Cash Flow Statement has been prepared under the indirect method as set out in Ind As-7

See accompanying notes 1 to 21 to the financial statements.

As per our attached report of even date

For and on behalf of the Board

For **B & B ASSOCIATES**
Chartered Accountants

B. M. Dhungana
Partner
Membership No. 327 (Institute of Chartered Accountants of Nepal)

Suresh Chandra Joshi
Director

Rajiv Gandhi
Director

Place : Kathmandu
Date : 27/01/2020

Statement of Changes in Equity for the year ended 31st December, 2019

A Equity Share Capital

For the year ended 31st December, 2019 (Amount in ₹)

Balance As at 1st January, 2019	Changes in equity share capital during the year	Balances as at 31st December, 2019
138,412,188	-	138,412,188

For the year ended 31st December, 2018 (Amount in ₹)

Balance As at 1st January, 2018	Changes in equity share capital during the year	Balances as at 31st December, 2018
138,412,188	-	138,412,188

B Other Equity

For the year ended 31st December, 2019 (Amount in ₹)

Particulars	Reserves & surplus	
	Retained earnings	Total other equity
Balance as at 1st January, 2019	**(56,487,198)**	**(56,487,198)**
Less: Loss of the year	**(6,064,449)**	**(6,064,449)**
Balance as at 31st December, 2019	**(62,551,647)**	**(62,551,647)**

For the year ended 31st December, 2018 (Amount in ₹)

Particulars	Reserves & surplus	
	Retained earnings	Total other equity
Balance as at 1st January, 2018	(55,433,799)	(55,433,799)
Less: Loss of the year	(1,053,399)	(1,053,399)
Balance as at 31st December, 2018	(56,487,198)	(56,487,198)

See accompanying notes 1 to 21 to the financial statements.

As per our attached report of even date

For **B & B ASSOCIATES**
Chartered Accountants

B. M. Dhungana
Partner
Membership No. 327 (Institute of Chartered Accountants of Nepal)

For and on behalf of the Board

Suresh Chandra Joshi
Director

Rajiv Gandhi
Director

Place : Kathmandu
Date : 27/01/2020

Notes to Financial Statements

1. Corporate Information

The Company is incorporated in Nepal as a private limited company. The Company's objective is to engage in production and sale of cement. The major shareholding of the company has been acquired by a foreign company M/s Ambuja Cements Ltd., India and hence the company is a subsidiary company of foreign company M/s Ambuja Cements Ltd., India.

2. Basis of Preparation and Presentation:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ("The Act") read with Rules 3 of the companies (Indian Accounting Standards) Rules,2015, and the Companies (Indian Accounting Standards) Amendment rules 2016 .Up to the year ended 31st December 2016 company prepares the financial statement in accordance to the requirements of previous generated Accepted Accounting principal (Previous GAAP). which includes standards notified under the Companies (Accounting Standards) Rules 2006.

These financial statements have been prepared on a historical cost basis, except for the following:

A· Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

B· Non current asset held for sale are measured at the lower of carring amount and fair value less cost to sell.

C. Financial statements are presented in INR and all values are rounded to the nearest rupees except when otherwise indicated.

3. Significant Accounting Policies:

a) Property, Plants & Equipment:

i Property, plant and equipment are stated at their original cost of acquisition / installation (net of Cenvat and VAT credit wherever applicable) net of accumulated depreciation, amortisation and impairment losses, except freehold non mining land which is carried at cost less impairment losses). Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

ii Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work -in-progress". Advances given towards acquisition/construction of fixed assets outstanding at each Balance sheet date are disclosed as Capital Advances under "Other non current assets".

iii An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation :

i. Leasehold land including premium is amortised over the period of lease on a straight line basis.

ii. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. The useful life as estimated, is aligned to the prescribed useful life estimates specified under Schedule II of The Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 January 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b) Impairment of non-financial assets :

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognized in the Statement of Profit and Loss 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, if any, is increased or reversed depending on the changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

c) Fair value measurement:

The Company measures financial instruments, such as, mutual funds at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

The Company's financial assets comprises of following:

i. Short-term financial assets consisting of (a) trade receivables, (b) investment in mutual fund, (c) cash and bank balances, (d) investments in certificate of deposits (e) fixed deposits with bank and financial institutions and (f) other short-term receivables – third parties.

ii. Long-term financial assets consisting of (a) financial investments – equity, bond and fixed deposits, (b) long-term receivables – related party and employees, and (c) long-term receivables –deposits with third parties.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are measured at amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. It comprises of short-term financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions and other short-term receivables – third parties and long-term financial assets such as financial investments – bond and fixed deposits, long-term receivables – related party and employees, and long-term receivables –deposits with third parties.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment, if any are recognised in the statement of profit or loss. This category generally applies to trade and other receivables

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

ii. Financial liabilities

The Company's financial liability comprise of following:

i) Long-term financial liabilities consisting of liability for capital expenditure.

ii) Short-term financial liabilities consists of (a) trade payables, (b) liability for capital expenditure, (c) security deposit to dealer, transporter, contractor (d) staff related payables and (e) other third party payables.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities categorised at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

e. Provisions and Contingencies :

i. A provision is recognised for a present obligation (legal or constructive) 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 determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. These estimates are reviewed at each Balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

iii. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

f. 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

g. Borrowing Costs:

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Taxation :

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Deferred Taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred Tax Assets are reviewed as at each Balance Sheet date.

i. Cash and Cash equivalents :

Cash and Cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

j. Earnings Per Share :

i. 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.

ii. 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.

k. Classification of Current/Non-Current Assets and Liabilities

All assets and liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

l. Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Note 4 - Property, Plant and Equipment

(Amount in ₹)

Particulars	As at 31.12.2019								
	Gross block				Accumulated Depreciation and Impairment				Net block
	As at 1st January, 2019	Additions	Deductions/ Transfers	As at 31st December, 2019	As at 1st January, 2019	Additions	Deductions/ Transfers	As at 31st December, 2019	As at 31st December, 2019
Freehold non mining land	33,017,910	3,125,000	-	36,142,910	-	-	-	-	36,142,910
Freehold mining land	1,158,500	-	-	1,158,500	-	-	-	-	1,158,500
Buildings	5,269,178	-	-	5,269,178	366,140	175,639	-	541,780	4,727,398
Office Equipments	68,647	-	-	68,647	65,215	-	-	65,215	3,432
Furniture & Fixtures	96,750	-	-	96,750	41,306	6,124	-	47,430	49,320
Total	39,610,985	3,125,000	-	42,735,985	472,661	181,764	-	654,425	42,081,560

(Amount in ₹)

Particulars	As at 31.12.2018								
	Gross block				Accumulated Depreciation and Impairment				Net block
	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 31st December, 2018
Freehold non-mining land	33,017,910	-	-	33,017,910	-	-	-	-	33,017,910
Freehold mining land	1,158,500	-	-	1,158,500	-	-	-	-	1,158,500
Buildings	5,269,178	-	-	5,269,178	190,501	175,639	-	366,140	4,903,038
Office Equipments	68,647	-	-	68,647	64,519	696	-	65,215	3,432
Furniture & Fixtures	96,750	-	-	96,750	35,182	6,124	-	41,306	55,444
Total	39,610,985	-	-	39,610,985	290,202	182,459	-	472,661	39,138,324

Notes to Financial Statements

Particulars		As at 31.12.2019 in ₹	As at 31.12.2018 in ₹
5	**Others**		
	Mining Security Deposit	**250,000**	250,000
		250,000	250,000
6	**Cash and cash equivalents**		
	Balances with banks		
	- in Current account	**8,083,148**	3,141,861
	Deposit with original maturity upto 3 months	**-**	9,375,000
	Cash on hand	**440,863**	22,119
		8,524,011	12,538,980
7	**Bank Balance other than Cash and Cash Equivalents**		
	Fixed Deposit with Banks (Maturity more than three months and upto 12 months)	**18,750,000**	25,000,000
		18,750,000	25,000,000
8	**Other Financial Assets**		
	Interest accrued on fixed deposit	**278,361**	541,438
		278,361	541,438
9	**Other current assets**		
	Advances recoverable in cash or kind	**617,462**	650,046
	Prepaid Expenses	**12,500**	12,500
	TDS Receivable	**2,607,665**	2,291,704
	Value Added Tax Receivable	**2,815,722**	1,550,192
		6,053,349	4,504,442

		As at 31.12.2019		As at 31.12.2018	
		No. of Shares	**Amount ₹**	No. of Shares	Amount ₹
10	**Equity Share Capital**				
	Authorised				
	Equity Shares of ₹ 62.50 each	**70,000,000**	**4,375,000,000**	70,000,000	4,375,000,000
		70,000,000	**4,375,000,000**	70,000,000	4,375,000,000
	Issued, subscribed and fully paid up				
	Equity Shares of ₹ 62.50 each fully paid up	**2,214,595**	**138,412,188**	2,214,595	138,412,188
		2,214,595	**138,412,188**	2,214,595	138,412,188

		As at 31.12.2019		As at 31.12.2018	
		No. of Shares	**Amount ₹**	No. of Shares	Amount ₹
a)	**Reconciliation of equity shares outstanding**				
	At the beginning of the year	**2,214,595**	**138,412,188**	2,214,595	138,412,188
	Add : Issued during the year	**-**	**-**	-	-
	Shares bought back during the Year	**-**	**-**	-	-
	At the end of the year	**2,214,595**	**138,412,188**	2,214,595	138,412,188

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
b) Shares held by holding Company, ultimate holding company, their subsidiaries		
Ambuja Cements Limited, the holding company..		
2,029,135 (Previous year - 2,029,135) equity shares of ₹ 62.50 each fully paid up................	**126,820,938**	126,820,938

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of Shares	**% holding**	No. of Shares	% holding
c) Details of equity shares held by shareholders holding more than 5% shares in the Company				
Ambuja Cements Limited, the holding company........	**2,029,135**	**92%**	2,029,135	92%

d) Terms / Rights attached to equity shares

i. The Company has only one class of equity shares having a par value of ₹ 62.50 per share. Each holder of equity share is entitled to one vote per share.

ii. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 31.12.2019 ₹	As at 31.12.2018 ₹
11 Other Equity		
Deficit in the Statement of Profit & Loss		
Balance as per last financial statements	**(56,487,198)**	(55,433,799)
Add : Loss for the year..	**(6,064,449)**	(1,053,399)
Closing balance	**(62,551,647)**	(56,487,198)
Total	**(62,551,647)**	(56,487,198)
12 Other Non-Current Liabilities		
Deffered Tax Liabilities	**656**	656
	656	656
13 Other financial liabilities		
TDS Payable	**76,084**	10,038
Audit Fee payable	**-**	9,375
Rent Payable..	**-**	28,125
	76,084	47,538
14 Other Income		
Interest on bank fixed deposits..	**2,269,955**	3,278,566
	2,269,955	3,278,566
15 Depreciation and amortization expense		
Depreciation on tangible Assets	**181,764**	182,459
	181,764	182,459

Particulars		As at 31.12.2019 ₹	As at 31.12.2018 ₹
16	**OTHER EXPENSES**		
	Repair & Maintenance- Buildings		
	Office Rent	**112,500**	112,500
	Rates & Taxes	**804,499**	532,948
	Legal and professional charges	**201,561**	2,724,632
	Miscellaneous expenses *	**7,034,080**	779,426
		8,152,640	4,149,506
	* Miscellaneous expenses include payment to auditors (excluding service tax)		
	Statutory auditor	**46,875**	46,875
	For Other Services	**93,750**	37,500
		140,624	84,375
17	**Earnings per equity share (EPS) :**		
	In accordance with Ind AS 33 - Earning per Share, the computation of earning per share is set out below :		
	Weighted average number of Equity Shares of ₹ 62.50 each		
	i) Number of shares at the beginning of the year	**2,214,595**	2,214,595
	ii) Number of shares at the end of the year	**2,214,595**	2,214,595
	iii) Weighted average number of shares outstanding during the year	**2,214,595**	2,214,595
	Net Loss after tax available for equity shareholders. (₹)	**(6,064,449)**	(1,053,399)
	Basic / Diluted Earning per share (in ₹)	**(2.74)**	(0.48)

Note: The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

18 Related party disclosure :

"Related Party Disclosure" (Ind AS-24), following are details of transactions during the year with the related parties of the Company as defined in Ind AS 24 :

a) Names of related parties where control exists :

Party	Nature of Relationship
LafargeHolcim Ltd.(Formerly known as Holcim Ltd.), Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Details of related parties transactions :

There are no transactions entered into by the company during the year (previous year - NIL) with the related parties as mentioned in (a) above.

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

19 Taxation :

Current Tax

In absence of taxable income as per the provisions of the Income Tax Act, 1961 in the current year, provision for current tax has not been made.

Deferred Taxes

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Notes to Financial Statements

20 Classification of Financial Assets and Liabilities

	As at 31.12.2019 ₹	As at 31.12.2018 ₹
Financial Assets at amortised cost :		
Cash and bank balances	**27,274,011**	37,538,980
Other financial assets	**528,361**	791,438
Total	**27,802,372**	38,330,418
Financial Liabilities at amortised cost :		
Other financial liabilities	**76,084**	47,538
Total	**76,084**	47,538

The management assessed that cash and cash equivalents, borrowings and other financial liabilities approximate the carrying amounts largely due to short term maturities of these instruments.

21 Previous IGAAP figures have been reclassified / regrouped whereever necessary to conform with financial statements prepared under Ind AS.

See accompanying notes 1 to 21 to the financial statements.

As per our attached report of even date

For and on behalf of the Board

B. M. Dhungana
Partner
Membership No. 327 (Institute of Chartered Accountants of Nepal)

Suresh Chandra Joshi
Director

Rajiv Gandhi
Director

Place : Kathmandu
Date : 27/01/2020

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