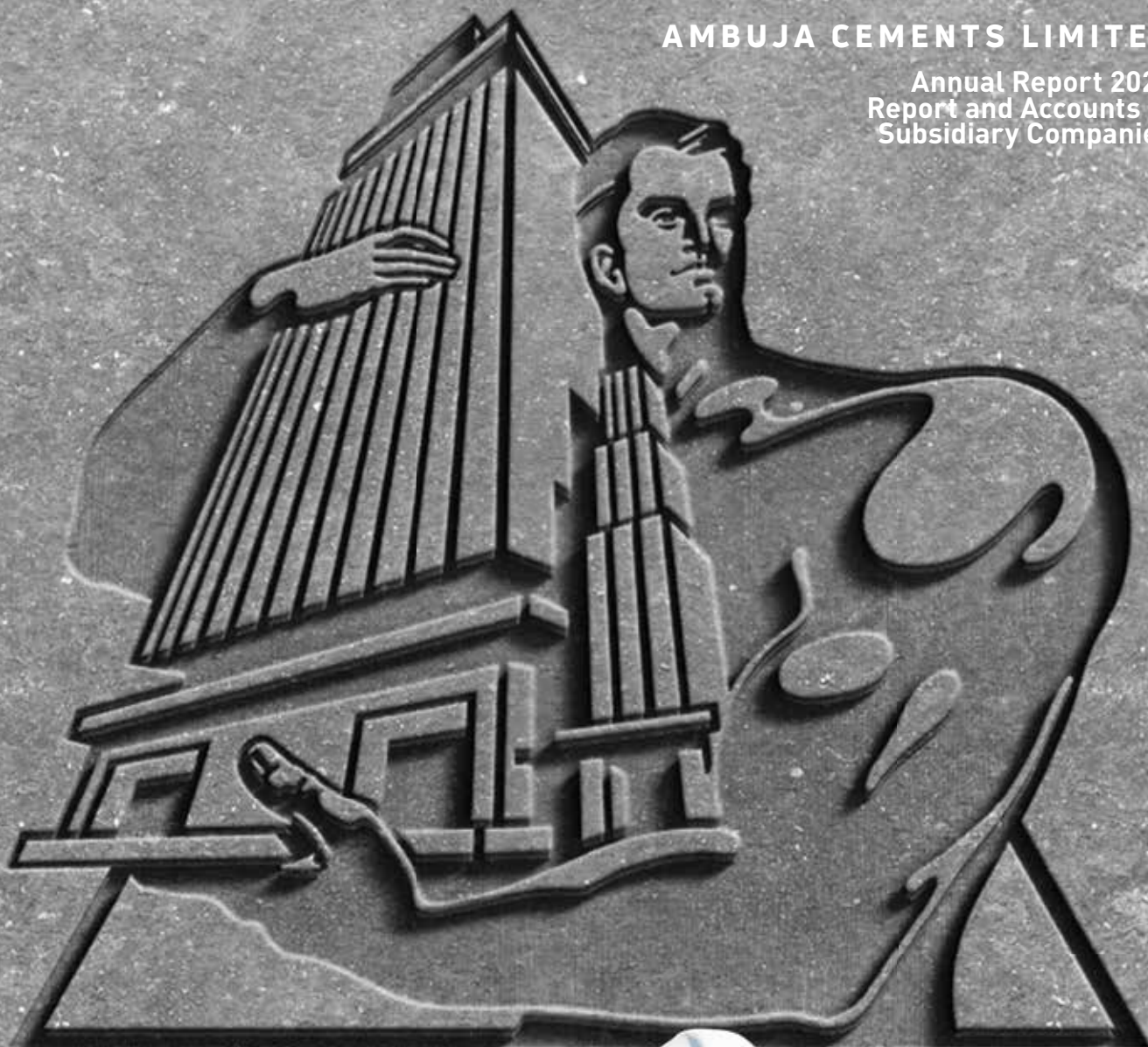


AMBUJA CEMENTS LIMITED

Annual Report 2020
Report and Accounts of
Subsidiary Companies



**STRENGTH
MEETS
CONFIDENCE**

I CAN.



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Board's Report

TO THE MEMBERS

The Board of Directors are pleased to present the Company's 85th Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) for the year ended December 31, 2020.

1. STATE OF THE AFFAIRS OF THE COMPANY

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

2. FINANCIAL PERFORMANCE

Particulars	Consolidated		Standalone	
	2020	2019	2020	2019
Revenue from Operations	13,785.98	15,657.55	13,784.54	15,656.65
Other Income	216.74	318.43	203.98	311.21
Total Income	14,002.72	15,975.98	13,988.52	15,967.86
Profit before Tax*	1,708.85	2,052.52	1,687.78	2,031.47
Tax Expenses	278.59	674.98	272.84	672.56
Profit for the year	1,430.26	1,377.54	1,414.94	1,358.91
Attributable to				
Owners of the Company	1,430.18	1,377.41	1,414.94	1,358.91
Non-controlling Interest	0.08	0.13	-	-
Other Comprehensive Income (OCI)	(14.58)	(49.23)	(14.54)	(48.98)
Total Comprehensive Income	1,415.68	1,328.31	1,400.40	1,309.93
Owners of the Company	1,415.60	1,328.18	1,400.40	1,309.93
Non-controlling Interest	0.08	0.13	-	-
Opening Balance in retained earnings	7,713.34	6,702.10	7,696.52	6,703.53
Amount available for appropriations	9,128.94	8,030.28	9,096.92	8,013.46
Appropriations				
Interim Dividend Paid for 2019	262.90	-	262.90	-
Final Dividend Paid for 2018	-	262.90	-	262.90
Tax on Equity Dividend	-	54.04	-	54.04
Closing balance in retained earnings	8,866.04	7,713.34	8,834.02	7,696.52

* Profit before Tax for 2020 includes charge of ₹176.01 Crore towards impairment of assets and ₹128.92 Crore towards time value of money of Government Incentives.

3. OVERVIEW OF COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE

- Consolidated Income, comprising Revenue from Operations and other Income, for the year was ₹14,002.72 Crore, 12% lower as compared to ₹15,975.98 Crore in 2019
- Total consolidated Revenue from Operations decreased to ₹13,785.98 Crore from ₹15,657.55 Crore in 2019
- Consolidated Profit before Tax for the year was ₹1,708.85 Crore vis-à-vis ₹2,052.52 Crore in 2019
- Consolidated Profit after Tax for the year was ₹1,430.26 Crore compared to ₹1,377.54 Crore in 2019
- 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 15% from 27.87 Million tonnes in 2019 to 23.77 Million tonnes in 2020
- Cement Sales Volume decreased by 12% from 28.89 Million tonnes in 2019 to 25.53 Million tonnes in 2020
- The net sales in cement decreased by 10% from ₹14,060.31 Crore in 2019 to ₹12,658.17 Crore in 2020

- RMX Production Volume has decreased by 36% from 35.24 Lakh m³ in 2019 to 22.70 m³ in 2020
- RMX Sales volume decreased by 36% from 35.32 Lakh m³ in 2019 to 22.70 Lakh m³ in 2020
- The net sales in RMX business decreased by 35% from ₹1,473.03 Crore in 2019 to ₹955.42 Crore in 2020.

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, 2020 subject to the approval of the Members at the 85th Annual General Meeting ('AGM').

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

Unclaimed dividend pertaining to the 75th final dividend and the 76th interim dividend, respectively for the years December 31, 2012 and December 31, 2013 totalling to ₹4.56 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, 2020.

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, 2020.

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, 2020 was ₹5,849.36 Crore vis-à-vis ₹4,492.53 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 ('the 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 Financial Statements (Refer Note No. 47).

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 annual audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations.

Board's Report (Contd.)

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

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 & completeness in maintaining accounting records and prevention & detection of frauds & errors.

13. VIGILMECHANISM/WHISTLE-BLOWERPOLICY

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 EVRP. Details of the EVRP have been disclosed on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf.

During the year, the Company reached out to employees through e-learning modules for creating greater awareness with respect to its Fair Competition Directive and Anti-Bribery and Corruption Directive. 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 decreased to ₹18.48 Crore compared to ₹18.78 Crore in 2019. The profit before tax for 2020 was ₹2.08 Crore as against ₹3.18 Crore in 2019.

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 (4) 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 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 two (2) other subsidiary companies, viz. Lucky Minmat Limited and Singhanian Minerals Private Limited. Singhanian Minerals Private Limited is operational, while Lucky Minmat Limited is not operational.

Divestment of Wholly-Owned Subsidiary

During the year, your Company had divested a non-operational wholly-owned subsidiary Company, viz. National Limestone Company Private Limited to M/s N. G. Ghadiya Group and the Company has received an amount of ₹20 Crore towards the said divestment.

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 and can be accessed at www.acclimited.com/assets/new/pdf/CG/Determiningmaterialsubsidiaries.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. During the year, the Company migrated the back-office services to LH Global Hub Services Private Limited ('LHGS') which is the global shared services for the entire LH Group.

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, 2020, the following were the 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 Financial Year 2020 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 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 statements are also available on the website of the Company and can be accessed 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

Pursuant to the resignation of Mr Neeraj Akhoury as Managing Director and Chief Executive Officer ('MD & CEO') of the Company with effect from the close of business hours on February 20, 2020, the Board of Directors of the Company, basis the recommendation of the Nomination & Remuneration Committee ('N&RC') appointed Mr Akhoury as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from February 21, 2020 and the said appointment was approved by

the Members of the Company at the AGM held on July 6, 2020.

Mr Sridhar Balakrishnan

The Board of Directors of the Company basis the recommendation of the N&RC has appointed Mr Sridhar Balakrishnan as the MD & CEO of the Company, not liable to retire by rotation, for a period of five (5) years commencing from February 21, 2020 to February 20, 2025 on such terms & conditions as decided by the Board of Directors and the said appointment was approved by the Members of the Company at the AGM held on July 6, 2020.

Mr Martin Kriegner

Mr Martin 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, was re-appointed by the Members at the AGM held on July 6, 2020.

Mr Vijay Kumar Sharma

Mr Vijay Kumar 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, was re-appointed by the Members at the AGM held on July 6, 2020.

Mr Jan Jenisch

Mr Jan Jenisch 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 June 13, 2018.

In terms of Section 152 of the Act, Mr Jenisch, 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.

Board's Report (Contd.)

Mr Narotam S. Sekhsaria

Mr Sekhsaria was appointed as Independent Director for a period of five (5) years in the Extra-Ordinary General Meeting held on September 10, 2014 with effect from July 24, 2014.

However, with effect from August 12, 2016, consequent upon 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. Mr Sekhsaria, Non-Executive, Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company, was re-appointed by the Members at the AGM held on March 22, 2019.

In terms of Section 152 of the Act, Mr Sekhsaria, 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 M. R. Kumar

The Board of Directors of the Company on October 19, 2020, basis the recommendation of the N&RC appointed Mr M. R. Kumar as an Additional Director with effect from October 19, 2020 and to hold office up to the date of the ensuing AGM. Further, the N&RC and Board of Directors of the Company have also recommended the appointment of Mr M. R. Kumar as Director (*Non-Executive, Non-Independent*), to the Members at the ensuing AGM, liable to retire by rotation.

The relevant details including profiles of Mr Jan Jenisch, Mr Narotam S. Sekhsaria and Mr M. R. Kumar are included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

B. Cessation

Mr Vijay Kumar Sharma and Mr Christof Hassig have resigned as Non-Executive, Non-Independent Directors of the Company with effect from the close of business hours on July 20, 2020 and February 20, 2020 respectively, on account of pre-occupation and also due to their other personal commitments. Both the aforesaid Directors have 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 aforesaid Directors during their tenure as Directors 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 as amended, Mr Sridhar Balakrishnan, MD & CEO (with effect from *February 21, 2020*), Mr Yatin Malhotra, Chief Financial Officer ('**CFO**') (with effect from *September 1, 2020*) and Mr Rajiv Choubey, Chief Legal Officer & Company Secretary 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 with effect from the 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, with effect from February 21, 2020 up to February 20, 2025.

Mr Yatin Malhotra was appointed as the CFO and Key Managerial Personnel in terms of the provisions of Section 203 of the Act with effect from September 1, 2020 upon Ms Rajani Kesari demitting office as CFO with effect from the close of business hours on August 31, 2020.

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 and 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, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute.

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, the new products, Innovations, Sustainability measures, digitization measures 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/assets/new/pdf/CG/Familiarization-Programme-for-Independent-Directors.pdf

b) Formal annual evaluation

The Board carries out 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 the 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 N&RC and the Board of Directors while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel and ExCo is given in **Annexure B** to this Report and is also available on 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 on the website of the Company and can be accessed at www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf and 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, twelve (12) 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.

Board's Report (Contd.)

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

The Committee meetings were held during the year, including Audit Committee and Stakeholders' Relationship Committee Meetings, which met seven (7) 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 of 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 of 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, the recommendations made by the Audit Committee were accepted by the Board.

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

The CSR and Sustainability Committee comprises of four (4) members out 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 till close of business hours of February 20, 2020), Mr Sharma (Non-Executive Director till close

of business hours of July 20, 2020) and Mr Neeraj Akhouri (*MD & CEO till close of business hours of February 20, 2020* and Non-Executive Director with effect from February 21, 2020). With effect from February 21, 2020, Mr Sridhar Balakrishnan, MD & CEO was inducted as one of the Member of the CSR and Sustainability Committee. The Committee met thrice (3) 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 as amended, 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 www.aclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhouri.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 business risks and opportunities forms part of Management Discussion and Analysis Report, which forms part of the Annual Report.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has developed a Related Party Transactions ('RPTs') 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 approvals of the Audit Committee and the same are subject to audit. A statement giving details of all RPTs is 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 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 given in **Annexure D** to this Report.

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 IEPF

In line with the statutory requirements, the Company has transferred to the credit of 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 timelines 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 vide its order dated 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 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 of the demand subject to deposit of 10% of the penalty amount. The matter is currently subjudice and as on December 31, 2020, 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 –40(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 (7) 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,

Board's Report (Contd.)

2020, the penalty amount of ₹35.32 Crore is disclosed as a contingent liability in the Notes to Financial Statements [Refer Note 40(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 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 judgement 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 Auditor 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 07, 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. 000611), to conduct the cost audit of the Company for the Financial Year ending December 31, 2021, 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 December 31, 2019 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 Auditor 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 Mehta & Mehta, Company Secretaries in Practice, Mumbai as the Secretarial Auditor for conducting Secretarial Audit of the Company for the Financial Year ended December 31, 2020.

The report of the Secretarial Auditor is attached as **Annexure E**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except as detailed in MR-3 annexed to this Report. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ('ICSI').

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, 2020 and the date of the Board's Report, i.e. February 11, 2021.

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.

August 2020

- ACC Bargarh Cement Works was adjudged as Excellent Energy Efficient by Confederation of Indian Industries (CII)
- ACC Wadi Cement Works won the award for 'Energy Efficient Unit'

September 2020

- Won CII's – Climate Action Programme (CAP) award 2019 – Orient category in EMHM Sector
- Jamul plant achieved 4.5 star rating in the large-scale category of Energy conservation award (ENCON) 2020 in CII Eastern region

December 2020

SAFA Best Presented Annual Report Awards 2019

- Second Runner Up in the manufacturing sector for the Best Presented Annual Report

59th Association of Business Communicators of India Annual Awards

- The Company's Sustainability Development Report 2018 won the Gold trophy in Environmental Communications category
- Won the Bronze Award in the External Magazines category for Indian Concrete Journal (ICJ)
- ACC's 'Together For Communities' initiative won a Bronze trophy in the Social Responsibility Communication category

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 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 given in **Annexure F** to this Report.

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

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32. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor 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 extract of the Annual Return of the Company for the Financial Year December 31, 2020 is uploaded on the website of the Company and can be accessed at www.acclimited.com.

34. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the ICSI (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, efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid power through consumption of Open Access (OA) power from comparatively cheaper sources. While enhanced intake of solar power through Power Purchase Agreements (PPA) at Thondebhavi increased the OA consumption to 95% from 90.1%, at Kudithini, the OA power increased from 91.3% to 94%. Similarly, among integrated units, at Galgal, the OA quantum increased to 44% from 14% and at Wadi, the OA percentage increased from 46% to 51% of grid power consumption. At Madukkarai plant, OA power accounted for 62% of grid power. Overall purchase

of power from open access has resulted in a saving of ~₹13.2 Crore. In addition, the Waste Heat Recovery System at Galgal generated ~47.0 Million units for internal consumption in place of grid power.

A2. Renewable power obligation

Your Company is putting all efforts to reduce the cash outflow for purchase of Renewable Energy Certificate ('RECs') against Renewable Power Obligation ('RPO').

The captive wind power generation sources contributed considerably in this front. This has resulted in a saving of ₹1.64 Crore on account of RPO cash outgo. Besides this, the Company has sourced 49 Million units of solar power collectively at Thondebhavi, Kudithini, Wadi to fulfill the Solar RPO and excess units are being used to fulfill partly Non-solar RPO. Additionally, the Company sourced 5.0 Million units of Non-solar power at Thondebhavi which resulted in a total saving of ~₹20.6 Crore.

A3. Conservation of energy

The year 2020 was full of challenges primarily posed by COVID-19 Pandemic. However, even in these difficult times, energy conservation and efficiency measures were undertaken in various areas of the cement manufacturing and Captive Power Plants (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 & cement mill
- Installation of medium voltage variable frequency drives (MVVFD) and low voltage variable frequency drives (LVVFD) for process fans
- Replacement of conventional lights with LED light across the plants

ACC Bargarh Cement Works was adjudged as Excellent Energy Efficient by Confederation of Indian Industries (CII) during the year. ACC Wadi Cement Works was also amongst the shortlisted cement plants and won the award for 'Energy Efficient Unit'. Jamul plant achieved 4.5 star

rating in the large-scale category of Energy conservation award (ENCON) 2020 in CII Eastern region.

Plant-wise energy efficiency installation

- **Jamul:** Installed Automatic Power Factor Controller (APFC) system to maintain unity power factor resultant and achieved 0.99 average power factor after commissioning of system
- **Gagal:** Installation of high efficiency Positive Displacement blower along with variable speed drive for primary air in kiln-1; installation of nozzles at kiln-1 burner tip to reduce the primary air percentage from 8.5% to 6.5% and NOx at kiln inlet
- **Chanda:** Vertical Roller Mill (VRM) inlet duct modification based on Computational Fluid Dynamics (CFD) study to reduce pressure drop; Modification in 15 MW cooling tower by replacement of V Bar fills with honeycomb fills and water spray nozzles
- **Wadi:** Preheater top cyclone modification and Kiln inlet riser duct modification through CFD study to reduce pressure drop; Kiln inlet riser duct feed box relocation to improve heat transfer; Tipping for Bag house fans 1 & 2 for Wadi 1 to increase margin in the fans; all these projects were for Wadi 1. CFD study and Separate Line Calciner bottom cross section area reduced thereby increasing velocity to avoid drop down of material; Installation of MVVFD along with motor for kiln string fan; Installation of high-level controller for mills at Wadi 2
- **Kymore:** Installation of New DCS system for kiln-2; Installation of High efficiency Cooler ESP Fan impeller for Kiln-1, Installation of high efficiency fan impeller for Kiln string fan Kiln 2; Two Cooler Fan's inlet modified through CFD study to reduce the pressure drop at K1. Commissioning 380 KW(p) Solar at Kymore mines
- **Bargarh:** VRM circuit modification based on CFD study to reduce the pressure drop; Modification for Slag VRM Bag house through CFD study to reduce pressure drop; Cement Mill 3 cyclones modified through CFD to improve cyclone collection efficiency; Installation of New Energy Management System and integration with DCS system; Installation of high level controller for kiln;

Installation of LVVFD for Bag Filter at Cement Grinding and Packing Plant; Modification of Vent line at Packing house resulting in switching off one no 37 kW Fan motor

- **Tikaria:** Upgradation of Distributed Control System (DCS) for Cement Mills 2 & 3
- **Lakheri:** Installation of LVVFDs for 6 fans in Air cooled condenser for Captive Power Plant; replacement of 9 pumps with high efficiency pumps
- **Chaibasa:** Installation of LVVFDs – one in Slag Dryer ID Fan, three in cooler fans, two in Cooling Tower pump and one in Condensate Extraction Pump

Green power

Among the total Renewable Energy, ACC's portfolio consists of

- Wind Energy Portfolio of 19 MW in the form of Wind Farms across 3 states and has generated approximately 32.30 Million units of green power. (Rajasthan – 11.96 Million units, Tamil Nadu – 17.34 Million units, Maharashtra – 3.00 Million units). These units helped ACC to meet the Renewable Purchase Obligation (Non-solar) for Madukkarai Plant (TN) & Lakheri Plant (Rajasthan) fully, besides getting power at a very cheaper cost. In Maharashtra, ACC Thane complex and BCCI, 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 ₹2.42 Crore
- ACC also installed and commissioned 5.35 MWp solar plant within the premises of Jamul Cement works at Chhattisgarh during the year to add to its renewable energy portfolio. The plant generated 2.35 Million units since August 2020. In addition to substituting grid power, it would also be used for the Renewable Purchase Obligation (Solar) compliance
- ACC also commissioned a 380 kWp Solar PV Plant at Kymore mines and consumed 0.14 Million units from it

The Renewable Power Obligations of other plants are met by purchasing Renewable Energy Certificates (Solar & Non-solar). Trading of REC was postponed on Energy Trading platforms since July 2020 as few associations have

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challenged the New floor and forbearance price order issued by CERC.

Additional Proposals being implemented for further conservation of energy

- Set up new Waste Heat Recovery System (WHRS) based power plants at Jamul and Kymore
- Installation of dynamic reactive power compensation system to improve the power factor at Kymore
- Replacement of Medium Voltage & Low Voltage capacitor Banks & harmonic filters at Wadi
- Projects being implemented at Kymore – Installation of New DCS system for kiln-1; Installation of High efficiency Sepax Fan for Cement Mill 1 & 9; Energy Management System upgradation; Cooler Fan's inlet modified through CFD study to reduce the pressure drop at K1
- Installation of Feeding System for Wet Ash/Slag/Phosphogypsum at Thondebhavi
- Installation of four number Low Pressure cyclones in Raw Mill 1 for Wadi 2
- Replacement of Kiln string fan with higher capacity fan at Galgal 1
- Installation of VFDs across ACC plants
- Installation of high-level controller for kiln at Wadi 2 and Lakheri is in progress and planned for Kymore. Installation of high-level controller for mill optimisation is in progress for Chaibasa and is planned for mills at Sindri, Tikaria, Jamul, Galgal and Bargarh

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

The measures stated in point (A) would further improve the thermal and electrical energy efficiency of the ACC Plants.

The capital investment on energy conservation equipments

Your Company invested ~₹71.8 Crore 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 Renewable Energy (Solar and Non-solar), your Company utilised 0.29 Million

tonnes of Alternative Fuels during the 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) Maximisation of industrial wastes utilisation and looking into possibilities of environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources
- c) Optimisation of fuel mix for lowering the cost
- d) Effective replacement of the costlier natural Gypsum by cheaper byproducts without affecting the quality of cement
- e) Development of new products based on market requirements
- f) Productivity research for increased efficiency in use of resources development of application Oriented Cements with decreased CO₂ emissions
- g) Quality Benchmarking exercise for different market clusters of ACC products
- h) Development waterproofing of Internal Compound
- i) Development of cement-based niche products like water repellent and self-curing Dry Mix Mortar, thin bed jointing mortar, plasters, tile adhesives range

- j) Development of Concrete Admixture for ACC RMX
- 2. Benefits derived as a result of above R&D**
- Effective use of marginal quality raw materials and fuels with improved clinker quality
 - Reduction in raw material cost-gypsum and mineral components
 - Maintain a lead position in all the market clusters of the country
 - Launch of special high-performance products like F2R, Concrete+, ACC Gold for specific market segments/ market climatic conditions
 - Launch of Leak Block—an internal waterproofing compound/dry-mix mortars for plasters, tile fixing, thin-bed jointing for blocks
 - Increased absorption of blending materials like fly ash and slags in blended cements
 - Fuel efficiency
 - Reduction in special power consumption for grinding
 - ACC Concrete admixture project resulted in cost savings on admixture buying cost with a consistent quality
- 3. Plan of action**
- Development of application oriented cement focusing customer pain points with reduced carbon footprint
 - Development of cement-based niche products
 - Exploratory research works on the above specified areas
 - Maximisation of use of waste/byproducts in cement manufacture as alternative materials
 - Improve product quality particularly with respect to long-term durability and reduction in cost of manufacture
 - Implementing & developing complete range of concrete admixture for ACC RMX to maximise the potential for quality & cost

4. Expenditure on R&D

	₹ Crore
a) Capital	Nil
b) Recurring (Gross)	0.61
c) Total	0.61
d) Total R&D expenditure as percentage of total turnover	-

C. Foreign Exchange Earnings and Outgo

	₹ Crore
Foreign Exchange earned	3.26
Foreign Exchanged outgo	553.22

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

Board's Report (Contd.)

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 the Internal Complaints Committee ('ICC') under the POSH. The ICC has been set up comprising four (4) female employees of whom one female employee (1) 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 Committee 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	4
Number of complaints filed during the financial year	1
Number of complaints pending as on the end of the financial year	1

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:

- that in the preparation of the annual Financial Statements for the year ended December 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any
- 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, 2020, and of the profit of the Company for the year ended on that date

- 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
- that the annual accounts have been prepared on a going concern basis
- 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
- 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 third (3rd) 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 (6) 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 2020 is presented in a separate section, forming part of the Annual Report and also hosted on the Company's website and can be accessed 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. 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.

40. CAUTIONARY STATEMENT

Statements in the Board's 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
For ACC Limited**

N. S. SEKHSARIA
Chairman

Mumbai
February 11, 2021

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 pro rata 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 Committee has decided not to accept any sitting fees and pursuant thereto, no sitting fees are paid to the Members of the CSR Committee for attending CSR 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

Annexure 'B' to the Board's Report (Contd.)

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, individual's 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-à-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

Annexure 'B' to the Board's Report (Contd.)

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/source/new/csr/ACC-CSR-Policy-Neeraj-Feb-4-300-DPI.pdf>

2. The Composition of the CSR & Sustainability Committee:

– Mr Shailesh Haribhakti, Chairman
(Independent Director)

– Ms Falguni Nayar, Member
(Independent Director)

– Mr Neeraj Akhoury, Member
(Non-Executive Director)

– Mr Sridhar Balakrishnan, Member
(MD & CEO)

3. Average net profit of the Company for last three (3) financial years:
₹1,576.23 Crore

4. Prescribed CSR Expenditure (two percent [2%] of the amount as in item 3 above):
₹31.52 Crore

5. Details of CSR spent for the financial years:

- a) Total amount to be spent for the financial year;
₹31.52 Crore

{However, in the financial year 2020, the Company's total spending on CSR amounts to ₹32.33 Crore which is 2.05% of the average net profit after taxes in the previous three (3) financial years}

- b) Amount unspent, if any;
Not Applicable

Annexure 'C' to the Board's Report (Contd.)

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 (₹ in Crore)	Amount Spent on the project or programmes (₹ in Crore) Sub-Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads	Cumulative Expenditure up to reporting period (₹ in Crore)	Amount Spent: Direct or through agency implementation (₹ in 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), Chikaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu) and Raigad (Maharashtra)	3.95	3.95	3.95	3.95
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), Chikaballarpur (Karnataka), Bengaluru (Karnataka) and Coimbatore (Tamil Nadu)	6.18	6.18	6.18	6.18
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), Chikaballarpur (Karnataka), Raigad (Maharashtra) and Coimbatore (Tamil Nadu)	1.81	1.81	1.81	1.81

Sr. No.	CSR Projects/ Activities	Sector	Locations – Districts (States)	Amount Outlay (Budget) Project or Programme- wise (₹ in Crore)	Amount Spent on the project or programmes (₹ in Crore) Sub-Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads	Cumulative Expenditure up to reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in 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), Coimbatore (Tamil Nadu) Raigad (Maharashtra), Lucknow (Uttar Pradesh), Gautam Buddh Nagar (Uttar Pradesh) and Hoogly (West Bengal)	4.69	4.69	4.69	4.69
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), Raigad (Maharashtra) and Coimbatore (Tamil Nadu)	1.27	1.27	1.27	1.27
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), Coimbatore (Tamil Nadu), Faridabad (Haryana), Gautam Budh Nagar (Uttar Pradesh), Lucknow (Uttar Pradesh) and Raigad (Maharashtra)	5.91	5.91	5.91	5.91

Annexure 'C' to the Board's Report (Contd.)

Sr. No.	CSR Projects/ Activities	Sector	Locations – Districts (States)	Amount Outlay (Budget) Project or Programme-wise (₹ in Crore)	Amount Spent on the project or programmes Sub-Heads: 1. Direct Expenditure on Projects or Parishad 2. Overheads	Cumulative Expenditure up to reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
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) and Coimbatore (Tamil Nadu)	2.78	2.78	2.78	2.78
8.	ACC Sanakshit 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), Faridabad (Haryana), Hooghly (West Bengal) and Darjeeling (West Bengal)	2.97	2.97	2.97	2.97
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)	1.00	1.00	1.00	1.00

Sr. No.	CSR Projects/ Activities	Sector	Locations – Districts (States)	Amount Outlay (Budget) Project or Programme-wise (₹ in Crore)	Amount Spent on the project or programmes (₹ in Crore) Sub-Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads	Cumulative Expenditure up to reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
10.	ACC – Affordable Housing	(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	Coimbatore (Tamil Nadu)	0.20	0.20	0.20	0.20
11.	Overheads			1.57	1.57	1.57	1.57
	TOTAL			32.33	32.33	32.33	32.33

Details of some of the project implementing agencies:

1. ACC Trust, 2. Manav Vikas Sansthan, 3. Jan Mangal Sansthan, 4. Janaki Foundation, 5. MYRADA, 6. Head Held High, Bengaluru, 7. ACC MAVIM Loksanchalit Sadhan Kendra – CMRC – Ghugus, 8. TMI e2E Academy, 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. Patang, 14. Rural Development Organisation Trust, 15. Goonj, 16. Ranthambhor Seva Sansthan, Jaipur 17. Roti Bank, 18. PHIA Foundation, Ranchi, Jharkhand, 19. Jan Sevak Samiti, Bhilai, 20. Praja Foundation, 21. Lokakalyan Parishad, 22. Mahashakti Foundation, 23. UDYOGINI, 24. Naad Gunjan Kala Parishad, 25. NSDL e-Governance Infrastructure, 26. GPR Strategy and Solution, 27. SANSKAR, 28. Sarva Seva Samiti Sanstha, Bargarh.

6. In case, the Company has failed to spend the two percent of the average net profit of the last three (3) 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.

Sridhar Balakrishnan
MD & CEO

Shailesh V. Haribhakti
Chairman, CSR & Sustainability Committee

Yatin Mailhotra
CFO

Annexure ‘D’ to the Board’s Report

FORM NO. AOC-2 January-December 2020

Particulars of 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, 2020, 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, 2020 are as follows:

Name of the Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (₹ in Crore)
Nature of Contract				
Purchase of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2020- December 31, 2020 ¹	Based on Transfer Pricing Guidelines	505
Sale of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2020- December 31, 2020 ¹	Based on Transfer Pricing Guidelines	222
Receiving of Services				
Ambuja Cements Limited	Holding Company	January 1, 2020- December 31, 2020 ¹	Based on Transfer Pricing Guidelines	1
Rendering of Services				
Ambuja Cements Limited	Holding Company	January 1, 2020- December 31, 2020 ¹	Based on Transfer Pricing Guidelines	1
Use of Technology and Knowhow				
Holcim Technology Limited	Fellow Subsidiary	January 1, 2020- December 31, 2020 ²	Based on Transfer Pricing Guidelines	133
Total				862

Notes:

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

The transactions mentioned above are not material as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. However, the same are disclosed under AOC-2 as a matter of good corporate governance practice.

Annexure ‘E’ to the Board’s Report

FORM MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
ACC Limited
Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **ACC Limited** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 on December 31, 2020, 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 financial year ended on December 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(during the year under review not applicable to the Company);**

- (v) 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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(during the period under review not applicable to the Company);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(during the period under review not applicable to the Company);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(during the period under review not applicable to the Company);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(during the period under review not applicable to the Company);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(during the period under review not applicable to the Company)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR’);

Annexure 'E' to the Board's Report (Contd.)

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above except for the below mentioned observation:

Basis the information provided by the management due to technical issue and due to operations from a remote location on account of the nation wide lockdown imposed due to COVID-19 pandemic, the Annual Secretarial Compliance Report and outcome of the Board meeting held on May 12, 2020 & April 21, 2020 was submitted to the Stock exchange with a delay.

We further report that:

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Half yearly Compliance under SEBI LODR have been submitted to the Stock exchange considering the half year March 31, 2020 & September 30, 2020.

We further report that during the audit period the Company had the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Board of Directors at their meeting held on February 7, 2020 had recommended a final dividend of ₹14/- per share to the members of the Company for approval at the Annual General Meeting
- Considering the COVID-19 pandemic and the nation wide lockdown imposed the Annual General Meeting was postponed from April 6, 2020 to July 6, 2020, accordingly the final dividend as recommended above by the Board was withdrawn and the Board of Directors thereafter at their meeting held on May 12, 2020 declared an Interim Dividend of the same amount as of recommended final dividend i.e. ₹14/- per share

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner

FCS No.: 3667

CP No.: 23905

Place: Mumbai

Date: February 11, 2021

UDIN: F003667B0027611708

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' to MR-3 and forms an integral part of this report.

Annexure A

To,
The Members,
ACC Limited
Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner

FCS No.: 3667

CP No.: 23905

Place: Mumbai

Date: February 11, 2021

UDIN: F003667B0027611708

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 AS AMENDED

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.	The percentage increase in remuneration of CFO and CS in the financial year	Figures are not comparable as the employee worked only part of the year either from 2019 or 2020 as detailed below: Mr Rajiv Choubey, Chief Legal Officer and Company was appointed with effect from September 26, 2019. Ms Rajani Kesari resigned as Chief Financial Officer of the Company with effect from the close of business hours on August 31, 2020. Mr Yatin Malhotra was appointed as Chief Financial Officer with effect from September 1, 2020.
2.	The percentage increase in the median remuneration of employees in the financial year	9.6%
3.	The number of permanent employees on the rolls of the Company	6,401
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 is 7.9%. 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 (₹ in Lakh)	₹6.17 Lakh
7.	Ratio of Remuneration of each Director and KMP to the median remuneration of all the employees of the Company for the year 2020	

Name of Director and KMP	Remuneration (₹ in Lakh)		% Increase in remuneration in the financial year 2020	Ratio to median Remuneration of all employees
	2020	2019		
Non-Executive Directors				
Mr N. S. Sekhsaria, Chairman	56.70	53.70	5.59	9
Mr Jan Jenisch, Deputy Chairman	22.50	21.00	7.14	4
Mr Martin Kriegner*#	--	--	--	--
Mr Christof Hassig (Up to February 20, 2020)#	3.59	22.30	--	--
Mr Vijay Kumar Sharma (Up to July 20, 2020)#	14.14	23.10	--	--
Mr M. R. Kumar (Appointed w.e.f. October 19, 2020)#	4.54	--	--	--
Mr Neeraj Akhoury (Appointed as Non-Executive Director w.e.f. February 21, 2020)#	--	--	--	--

Name of Director and KMP	Remuneration (₹ in Lakh)		% Increase in remuneration in the financial year 2020	Ratio to median Remuneration of all employees
	2020	2019		
Independent Directors				
Mr Shailesh Haribhakti	47.20	42.50	11.06	8
Mr Sushil Kumar Roongta	47.30	45.00	5.11	8
Ms Falguni Nayar	26.40	22.60	16.81	4
Mr Sunil Mehta	47.70	32.01	--	8
Mr D. Sundaram	56.70	40.34	--	9
Mr Vinayak Chatterjee	48.00	32.81	--	8
Executive Director				
Mr Neeraj Akhoury, MD & CEO (Up to February 20, 2020)*#	615.17 @	889.78	--	--
Mr Sridhar Balakrishnan, MD & CEO (Appointed as MD & CEO w.e.f. February 21, 2020)#	332.45 **	--	--	--
Company Secretary				
Mr Rajiv Choubey	226.57	38.16	--	37
Chief Financial Officer				
Ms Rajani Kesari (Up to August 31, 2020)#	409.77	149.49	--	--
Mr Yatin Malhotra (w.e.f. September 1, 2020)#	59.59	--	--	--

Notes:

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 2020.

*Mr Martin Kriegner and Mr Neeraj Akhoury have waived their right to receive Directors' commission and sitting fees.

@The remuneration of Mr Akhoury includes the Performance Linked Incentive of ₹530.91 Lakh for the year 2019.

**The remuneration of Mr Sridhar Balakrishnan includes the Performance Linked Incentive of ₹88.37 Lakh for the year 2019.

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 years 2019 & 2020.

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) Regulations, 2015, as amended ('SEBI Listing Regulations'), for the year ended December 31, 2020.

ACC'S PHILOSOPHY ON CORPORATE GOVERNANCE

For over eight (8) decades, we have strengthened our industry leadership on the sturdy pillar of our corporate governance philosophy. We have institutionalised a robust mechanism of corporate governance, long before it became a statutory requirement. Our governance framework enshrines the highest standards of ethical and responsible conduct of business to create lasting stakeholder value.

Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. We emulate the 'best practices' that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy.

Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests. Our governance framework drives optimal utilisation of resources and accountability for stewardship. The Board remains the custodian of trust and acknowledges its responsibilities towards our growing stakeholder fraternity for sustainable long-term wealth creation.

Integrity, transparency, fairness, accountability and adherence to prevailing laws are integral to our business practices. These principles have evolved, over the years, from the Company's culture of agility, continuous innovation and rich experiences gleaned from the past. This distilled wisdom has reinforced stakeholder trust and confidence, attracting and retaining financial and human capital, and has helped us enormously in fulfilling societal aspirations.

Our core principles represent the edifice of our two-tier 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 value creation for all.

Board of Directors

ACC is a professionally managed Company functioning under the overall supervision of the Board of Directors ('Board'). Its Board comprises the required 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. The Company's Managing Director and Chief Executive Officer is the only Executive Director on the Board.

The Board of Directors is made up of highly experienced and persons of repute and 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 and Sustainability') Committee and (vi) Compliance Committee.

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

The ExCo meets regularly to review and monitor the performance *vis-à-vis* the annual plans & 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. ExCo team and other functional heads provide the expertise to face operational challenges with agility and efficiency.

Led by the MD & CEO, it comprises verticals for the functions of Sales & Marketing, Manufacturing, Human Resources, Finance, Procurement, Supply Chain, Legal & 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 Resource have a direct reporting line to the respective vertical heads. The heads of plants report 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 Resource, Procurement, Supply Chain, Sales & Marketing, Legal, Secretarial & Compliance, Health & Safety report to the Managing Director & Chief Executive Officer.

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, infrastructure, taxation, governance, 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, 2020

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 Cement 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 & Remuneration Committee.

Report on Corporate Governance (Contd.)

He is a Non-Executive Director and is not in any way related to the Managing Director and Chief Executive Officer or any other member of the Board.

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)	<ol style="list-style-type: none"> 1. Ambuja Cements Limited, Non-Executive Chairman; 2. JM Financial Asset Reconstruction Company Limited, Non-Executive Director; 3. 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 LH, 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 CEO 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	General 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 a 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 for one-year General Management at XLRI, Jamshedpur. He is an alumnus of the Harvard Business School (GMP).

Mr Akhoury was the MD & CEO till February 20, 2020, held membership in 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 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)	<ol style="list-style-type: none"> 1. Ambuja Cements Limited, MD & CEO, (w.e.f. February 21, 2020); 2. Holcim Services (South Asia) Limited, Non-Executive Director

Mr Martin Kriegner

(DIN: 00077715)

(Non-Executive and Non-Independent Director)

Mr Kriegner, Austrian national, was appointed as Head of Asia Pacific and member of the Group Executive Committee of LH in August 2016. Since 2019, he has also been responsible for the Group Cement Excellence team.

Mr Kriegner joined the Group in 1990 and has held various senior leadership roles within Europe and Asia. He moved to India as 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 CEO of Lafarge India for Cement, RMX and Aggregates. In July 2015, he became Area

Manager Central Europe for LH operations, and in 2016 he was appointed Head of India. Mr Kriegner is a graduate of Vienna University and holds a Doctorate in Law. He also obtained an MBA at the University of Economics in Vienna.

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

Expertise in specific functional areas	Sustainability, General Management, Strategy & Operations
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 Shailesh Haribhakti, Chartered Accountant, is the Chairman of Shailesh Haribhakti & Associates. He is also a Cost Accountant, Certified Internal Auditor, Financial Planner & Fraud Examiner with a career span of over four (4) decades.

Evolving from a background in Audit, Tax and Consulting, he now seeks to create enduring value for Companies and organisations he is involved with, by being a deeply engaged Independent Director. His strong belief is that good Governance creates a sustainable competitive advantage. He is a strong supporter of a clean and green environment and is pioneering the concept of 'innovating to zero' in the social context. He serves on the Boards of several Multinational and Indian Companies and is also a member of several Advisory Boards.

He has participated in creating Indian Multinationals in the services sector. During 1981-83, he taught Management Accounting at IIM Ahmedabad. His passion for teaching, writing and public speaking has taken him to many management institutions and several industry and professional forums. He has led BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two (2) years, he served on the Standards Advisory Council of the IASB in London.

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)	<ol style="list-style-type: none"> 1. Ambuja Cements Limited, Independent Director; 2. Torrent Pharmaceuticals Limited, Independent Director; 3. Blue Star Limited, Non-Executive Chairman & Independent Director; 4. NSDL E-Governance Infrastructure Limited, Non-Executive Chairman & Independent Director; 5. Bajaj Electricals Limited, Non-Executive Independent Director; 6. Bennett Coleman & Company Limited, Independent Director; 7. Future Lifestyle Fashions Limited, Non-Executive Chairman & Independent Director; 8. L&T Finance Holdings Limited, Independent Director; 9. 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 2nd position from the 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. Lakshmi Pat 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) and is also a Member of NEC of PHD Chamber of Commerce and Industry.

Report on Corporate Governance (Contd.)

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)	<ol style="list-style-type: none"> 1. Hero Steels Limited, Independent Director; 2. Talwandi Sabo Power Limited, Non-Executive Director; 3. Jubilant Pharmova Limited (formerly Jubilant Life Sciences Limited); Independent Director; 4. Bharat Aluminium Co. Limited, Non-Executive Chairman; 5. Great Eastern Energy Corporation Limited, Independent Director; 6. JK Paper Limited, Non-Executive Director; 7. Edelweiss Asset Reconstruction Company Limited, Independent Director*; 8. Titagarh Wagons Limited, Additional Director*

* The change in Directorship of the Director has taken place post December 31, 2020 but before the date of this Report, i.e. February 11, 2021.

Mr Vijay Kumar Sharma

(DIN: 02449088)

(Non-Executive and Non-Independent Director up to July 20, 2020)

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 has served as Chairman (in-charge) from September 16, 2016 and Managing Director, LIC from November 1, 2013. From December 2010 to November 2013, he has served as MD & CEO, LIC Housing Finance Limited ('LICHFL'), a premiere 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.

He utilises negotiation skills gained over thirty eight (38) 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 an inspiring 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 in his role as Director of the Company, till July 20, 2020 held membership in 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) *	<ol style="list-style-type: none"> 1. Tata Steel Limited, Non-Executive Director; 2. Mahindra & Mahindra Limited, Non-Executive Director

*Details as on July 20, 2020

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 held senior positions in various capacities and was the Managing Director of Kotak investment banking from 2006 to 2012. She is the Founder and CEO of Nykaa, a beauty & lifestyle omnichannel retailer, which she founded in 2012.

Ms Nayar has been part of the 'Most Powerful Women in Indian 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. Ms Nayar won the 'EY Start-Up of the Year' award at the EY Entrepreneur of the Year awards.

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, Retail, E-commerce
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	<ol style="list-style-type: none"> 1. Dabur India Limited, Independent Director; 2. Tata Technologies Limited, Independent Director; 3. Kotak Securities Limited, Independent Director; 4. Endurance Technologies Limited, Independent Director*

* Ceased to be a Director w.e.f. February 9, 2021

Mr Christoff 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 the Holcim Limited (now LafargeHolcim) in 1999, Mr Hassig worked for twenty five (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 preceding sixteen (16) years, he has built and led the department of Corporate Financing and Treasury. This function spans the 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 (3) 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, 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

* Details as on February 20, 2020

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 (6) 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 Financial Officer ('CFO') 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). He was awarded as the 'Best Independent Director in 2019' by Asian Centre for Corporate Governance and Sustainability in December 2020.

Mr Sundaram is now the Non-Executive Vice Chairman and Managing Director of TVS Capital Funds Pvt Ltd, 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 Programme (AMP).

Mr Sundaram is the Chairman of the Audit Committee and a member of 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)	<ol style="list-style-type: none"> 1. Infosys Limited, Independent Director; 2. GlaxoSmithKline Pharmaceuticals Limited, Independent Director; 3. Crompton Greaves Consumer Electricals Limited, Independent Director; 4. SBI General Insurance Company Limited, Independent Director

Report on Corporate Governance (Contd.)

Mr Vinayak Chatterjee

(DIN: 00008933)

(Non-Executive and Independent Director)

Born in 1959, Mr. Chatterjee graduated in Economics (Hons) from St. Stephen's College, Delhi University (1976-1979) and did his MBA from the Indian Institute of Management, Ahmedabad (1979-1981). He co-founded Feedback Infra in 1990 which is India's leading provider of professional and technical services in the infrastructure sector. These services include Advisory, Planning & Engineering, Project Management and Operations & Maintenance.

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 him as one of the 100 Global Leaders of Tomorrow. In 2011, the Indian Institute of Management, Ahmedabad conferred on him the "Distinguished Alumnus Award".

He is also on the Board of Directors of Apollo Hospitals Enterprises Limited; and is a member of the Advisory Board of JCB India, and on Board of Governors of the National Rail and Transportation University; and he is the Chairman of the Board of Governors of Indian Institute of Technology, Dharwad (Karnataka).

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 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 partnerships model for developing India's infrastructure
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	1. Feedback Energy Distribution Company Limited, Chairman; 2. Apollo Hospitals and Enterprises Limited, Independent Director; 3. Indraprastha Medical Corporation Limited, Independent Director

Mr Sunil Mehta

(DIN: 00065343)

(Non-Executive and Independent Director)

Mr Sunil Mehta has over thirty-seven (37) years of proven leadership experience in Banking, Financial Services, Insurance and Investments with leading global and domestic financial institutions namely Citibank, AIG, SBI, PNB and YES Bank amongst others. 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 boutique 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 amongst other businesses. He set up AIG's insurance JVs with Tatas and was also responsible for expanding AIG's presence across ten (10) 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 eighteen (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 has been appointed as the Non-Executive Chairman of YES Bank Limited by a Government of India Notification dated March 13, 2020. Mr Mehta was Non-Executive Chairman of Punjab National Bank from March 2017 till February 2020. He was an Independent Director on the Board of State Bank of India from June 2014 to March 2017. Presently, he is also a Board Member of Sashakt India Asset Management Ltd, Welmo Fintech Pvt Ltd and Bodytronix Fitness Pvt Ltd. Mr Mehta was on the Board of IL&FS group companies and a start-up digital Non-Life Insurance Company – Acko General Insurance Ltd.

In addition, he is a Senior Advisor to notable international/ domestic corporations amongst his other business responsibilities at SPM Capital Advisers Pvt Ltd

Mr Mehta was asked to Chair the Committee on Resolution of Stressed Assets by the Honorable Finance Minister of India. Other Members of the Committee included the Chairman of State Bank of India, Managing Director of Bank of Baroda and Deputy Managing Director of SBI. The Committee presented the Sashakt Report on Resolution of Stressed Assets to the Finance Minister on July 2, 2018. The report is under implementation and made significant progress with adoption of the Inter Creditor Agreement (ICA) by the Regulator and all major Banks/NBFC's in addition to other recommendations.

Mr Mehta 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 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 the Chairman of both these organisations and also a member of the Global Transition Board of United Way Worldwide.

Mr Mehta 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 an Alumni of the Wharton School of Management, University of Pennsylvania, USA.

Mr Mehta is a Chairman of the Stakeholders' Relationship Committee and a Member on 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)	<ol style="list-style-type: none"> 1. Yes Bank Limited, Non-Executive Chairman; 2. Sashakt India Asset Management Limited, Non-Executive Director

Mr Sridhar Balakrishnan

(DIN: 08699523)

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

Mr Sridhar Balakrishnan is the MD & CEO of ACC Limited.

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. He has spent the 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. In his previous roles, Mr Balakrishnan 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.

Report on Corporate Governance (Contd.)

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.

Presently, Mr Balakrishnan is also on the Board of Bulk Cement Corporation (India) Limited and OneIndia BSC Private Limited.

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)	Bulk Cement Corporation (India) Limited, Additional Director

Mr M. R. Kumar

(DIN: 03628755)

(Non-Executive and Non-Independent Director)

[Appointed as an Additional Director w.e.f. October 19, 2020]

Mr M. R. Kumar, took charge as Chairman, LIC of India on March 14, 2019. He joined LIC of India in 1983 as a Direct Recruit Officer. In a career spanning more than three and a half (3.5) decades, he has had the unique privilege of heading three (3) Zones of LIC of India, viz. Southern Zone,

North Central Zone and Northern Zone, head quartered at Chennai, Kanpur and Delhi, respectively. His rich experience working pan India, in different Zones and in different streams of insurance management has given him a deep insight into the demographics and insurance potential of the country.

Mr Kumar also Chairs the Boards of domestic and international subsidiaries of LIC of India viz. LIC Housing Finance Ltd, LIC Mutual Fund AMC, LIC Pension Fund Ltd, LIC Credit Card Services Ltd, IDBI Bank Ltd as well as the Joint ventures on foreign soil viz. LIC (International) B.S.C.(c), Bahrain, LIC Lanka Ltd, LIC Nepal Ltd and LIC Singapore Pte Ltd.

Mr Kumar is also a Director on the Board of the Kenindia Assurance Ltd, which is a Life and Non-life Insurance Company, based in Kenya.

Expertise in specific functional areas	Insurance, Marketing, Human Resource & Pensions
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	<ol style="list-style-type: none"> 1. LIC Housing Finance Ltd, Nominee Director 2. LIC Cards Services Limited, Director 3. LIC Pension Fund Limited, Nominee Director 4. LIC Mutual Fund Asset Management Limited, Nominee Director 5. IDBI Bank Ltd, Non-Executive Non-whole time Chairman

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 in the following table. 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	Initial 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	1. ACC Limited; 2. Ambuja Cements Limited; 3. Everest Industries Limited	0	0
Mr Jan Jenisch (Deputy Chairman)	Non-Executive/ Non-Independent	17.10.2017	2	1. ACC Limited; 2. Ambuja Cements Limited	0	0
Mr Neeraj Akhoury	(MD & CEO)/ Executive (Ceased as MD & CEO on February 20, 2020)	16.12.2016	1	1. ACC Limited	1	0
	Non-Executive/ Non-Independent (appointed as a Director w.e.f. February 21, 2020)	21.02.2020	2	1. ACC Limited; 2. Ambuja Cements Limited	1***	0
Mr Martin Kriegner	Non-Executive/ Non-Independent	11.02.2016	2	1. ACC Limited; 2. Ambuja Cements Limited	2	0
Mr Shailesh Haribhakti	Non-Executive/ Independent	17.02.2006	7	1. ACC Limited; 2. Ambuja Cements Limited; 3. Torrent Pharmaceuticals Limited; 4. L&T Finance Holdings Limited; 5. Blue Star Limited; 6. Future Lifestyle Fashion Limited; 7. Bajaj Electricals Limited	10	5
Ms Falguni Nayar	Non-Executive/ Independent	24.04.2014	3	1. ACC Limited; 2. Dabur India Limited; 3. Endurance Technologies Limited	2	1
Mr Sushil Kumar Roongta	Non-Executive/ Independent	03.02.2011	4	1. ACC Limited; 2. JK Paper Limited; 3. Jubilant Pharmova Limited (formerly Jubilant Life Sciences Limited); 4. Titagarh Wagons Limited	3	1
Mr D. Sundaram	Non-Executive/ Independent	22.03.2019	4	1. ACC Limited; 2. Infosys Limited; 3. Crompton Greaves Consumer Electricals Limited; 4. GlaxosmithKline Pharmaceuticals Limited	6	4
Mr Vinayak Chatterjee	Non-Executive/ Independent	22.03.2019	3	1. ACC Limited; 2. Apollo Hospitals Enterprise Limited; 3. Indraprastha Medical Corporation Limited	1	0
Mr Sunil Mehta	Non-Executive/ Independent	22.03.2019	2	1. ACC Limited; 2. Yes Bank	2	1
Mr Sridhar Balakrishnan	Executive Director	20.02.2020	0	NIL	0	0
	MD & CEO/Executive	21.02.2020	1	1. ACC Limited;	1	0

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Name of the Director	Category	Initial date of appointment		*Number of Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC)	
					Member	Chairman
Mr M. R. Kumar	Non-Executive/ Non-Independent	19.10.2020	3	1. ACC Limited; 2. LIC Housing Finance Ltd; 3. IDBI Bank Ltd	0	0
Mr Vijay Kumar Sharma@	Non-Executive/ Non-Independent (Ceased to be Director w.e.f. July 20, 2020)	06.02.2014	3	1. ACC Limited; 2. Tata Steel Limited; 3. Mahindra & Mahindra Limited	1	1
Mr Christof Hassig#	Non-Executive/ Non-Independent (Ceased to be Director w.e.f. February 20, 2020)	09.12.2015	2	1. ACC Limited; 2. Ambuja Cements Limited	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.

@ Details as on July 20, 2020

Details as on February 20, 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 available on the Company's website and can be accessed on web link at www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken D&O for all its Directors and members of the Senior Management for such quantum and for such risks as determined by the Board of Directors.

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, 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 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 have been 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.

Confirmation as regards to 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, 2020, *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 23, 2020 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 Mr Vinayak Chatterjee 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 (8) 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 fulfil his/her 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. From time to time, the Company also organises 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.

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

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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. In 2020, the Company has organised a session with M/s Bain & Company through video-conferencing on COVID-19 Perspectives & Imperatives *inter alia* covering Global Outlook and Imperatives for Board Members, India Macro Outlook, 'Act Now' & 'Plan Now', India Cement sector outlook and key takeaways.

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 <https://www.acclimited.com/assets/new/pdf/CG/Familiarization-programme-for-independent-and-non-executive-directors.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 & 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 judgement 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 and can be accessed through the weblink at www.acclimited.com/assets/new/pdf/CG/Policy remuneration selection for appointment.pdf

Terms of remuneration of Mr Neeraj Akhoury, MD & CEO (ceased to be MD & CEO w.e.f. February 20, 2020)

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 <https://www.acclimited.com/newsite/annualreport2017/Neeraj-Akhoury-Agreement-signed.pdf>

Terms & Remuneration of Mr Sridhar Balakrishnan, Managing Director & Chief Executive Officer (MD & CEO) (Appointed as Director w.e.f. February 20, 2020 and as MD & CEO w.e.f. February 21, 2020)

Mr Balakrishnan was appointed by the Board of Directors as MD & CEO w.e.f. February 21, 2020 for the period of five (5) years on the following terms and conditions and with an annual increment of up to maximum of 20% for every year thereafter during the currency of term of five (5) years of MD & CEO and the same was approved by the Members at the 84th Annual General Meeting of the Company held on July 6, 2020.

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.

Allowances & Perquisite

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 enable 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 recognised 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 Sections 197, 198 and other applicable provisions of the Companies Act, 2013 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 Sections 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.

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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 of the Board of 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.

Name of the Director	(₹ in Lakh)			
	Salary	Commission	Sitting Fees	Total
Mr N. S. Sekhsaria, Chairman	-	50	6.70	56.70
Mr Jan Jenisch, Deputy Chairman	-	20	2.50	22.50
Mr Neeraj Akhoury, (Ceased to be MD & CEO w.e.f. February 20, 2020. Appointed as a Director w.e.f. February 21, 2020)*	615.17	-	-	615.17
*Mr Martin Kriegner	-	-	-	-
Mr Shailesh Haribhakti	-	36	11.20	47.20
Mr Sushil Kumar Roongta	-	36	11.30	47.30
Mr Vijay Kumar Sharma (Ceased to be Director w.e.f. July 20, 2020)	-	11.04	3.10	14.14
Ms Falguni Nayar	-	20	6.40	26.40
Mr Christof Hassig (Ceased to be Director w.e.f. February 20, 2020)	-	2.79	0.80	3.59
Mr Damodarannair Sundaram	-	45	11.70	56.70
Mr Vinayak Chatterjee	-	36	12.00	48.00
Mr Sunil Mehta	-	36	11.70	47.70
Mr Sridhar Balakrishnan (Appointed as a Director w.e.f. February 20, 2020 and as MD & CEO w.e.f. February 21, 2020)@	332.45	-	-	332.45
Mr M. R. Kumar (Appointed as an Additional Director w.e.f. October 19, 2020)	-	4.04	0.50	4.54

* Mr Martin Kriegner and Mr Neeraj Akhoury have waived their right to receive Directors' commission and sitting fees

The remuneration of Mr Neeraj Akhoury includes the Performance Linked Incentive of ₹530.91 Lakh for the year 2019

@ The remuneration of Mr Sridhar Balakrishnan includes the Performance Linked Incentive of ₹88.37 Lakh for the year 2019.

MEETINGS

Board meetings held during the year

Dates on which the Board meetings were held in 2020	Total strength of the Board	Number of Directors present
February 7, 2020	12	10
February 20, 2020	12	12
April 10, 2020	12	11
April 21, 2020	12	12
May 12, 2020	12	12
July 20, 2020	12	12
August 18, 2020	11	10
August 27, 2020	11	9
September 15, 2020	11	10
October 19, 2020	11	10
November 5, 2020	12	11
December 23, 2020	12	9

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 July 6, 2020
	February 7, 2020	February 20, 2020	April 10, 2020	April 21, 2020	May 12, 2020	July 20, 2020	August 18, 2020	August 27, 2020	September 15, 2020	October 19, 2020	November 5, 2020	December 23, 2020	
Mr N. S. Sekhsaria	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	LOA	LOA
Mr Jan Jenisch	✓	✓	LOA	✓	✓	✓	LOA	LOA	LOA	LOA	LOA	LOA	✓
Mr Neeraj Akhoury§	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr S. V. Haribhakti	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr S. K. Roongta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr V. K. Sharma (Ceased to be Director w.e.f. July 20, 2020)	LOA	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	✓
Ms Falguni Nayar	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	✓	✓
Mr Christof Hassig (Ceased to be Director w.e.f. February 20, 2020)	LOA	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr D. Sundaram	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr V. Chatterjee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr S. Mehta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Sridhar Balakrishnan@	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M. R. Kumar (Appointed as an Additional Director w.e.f. October 19, 2020)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓	LOA	NA

LOA – Leave of Absence; NA – Not Applicable

§ Mr Neeraj Akhoury ceased to be MD & CEO w.e.f. February 20, 2020 and appointed as a Non-Executive/ Non-Independent Director w.e.f. February 21, 2020

@ Mr Sridhar Balakrishnan was appointed as a Director w.e.f. February 20, 2020 and as MD & CEO w.e.f. February 21, 2020

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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. Additionally, in terms of Rule 4 of The Companies (Meetings of Board and its Powers) Rules, 2014, for the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 and ending on the June 30, 2021, the meetings on matters referred to in sub-rule (1) of the said rule may be held through video conferencing or other audio-visual means in accordance with rule 3 of the said rule.

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 of Directors 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, ensures 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 the 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 qualitateness 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 presented 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 (2/3rd) 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 the 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 discuss 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 the SEBI (Prohibition of Insider Trading), 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.

Report on Corporate Governance (Contd.)

- 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 the SEBI Listing Regulations.

The composition of the Audit Committee as on December 31, 2020 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						
		February 7, 2020	April 21, 2020	June 12, 2020	July 20, 2020	October 19, 2020	November 25, 2020	December 8, 2020
Mr D. Sundaram, Chairman	Non-Executive/Independent	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non-Executive/Non-Independent	✓	✓	Leave of Absence	✓	✓	✓	✓
Mr S. K. Roongta	Non-Executive/Independent	✓	✓	✓	✓	✓	✓	✓
Mr Vinayak Chatterjee	Non-Executive/Independent	✓	✓	✓	✓	✓	✓	✓
Mr Sunil Mehta	Non-Executive/Independent	✓	✓	✓	✓	✓	✓	✓

Mr D. Sundaram, Chairman of the Committee was present at the Annual General Meeting held on July 6, 2020.

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 presented 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 three (3) members of which two-thirds (2/3rd) 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 rights issue/bonus issue, subject to such approvals as may be required;
- to oversee, approve and monitor dematerialisation for 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 dematerialisation 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 Education and 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.

The composition of the Stakeholders' Relationship Committee as on December 31, 2020 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		
		February 6, 2020	July 17, 2020	October 16, 2020
Mr Sunil Mehta, Chairman	Non-Executive/Independent	✓	✓	✓
Mr S. V. Haribhakti	Non-Executive/Independent	✓	✓	✓
Mr Christof Hassig (Ceased to be a Member w.e.f. February 20, 2020)	Non-Executive/Non-Independent	✓	Not Applicable	Not Applicable
Mr Neeraj Akhouri (Ceased to be a Member w.e.f. February 20, 2020)	Executive/ Non-Independent	✓	Not Applicable	Not Applicable
Mr Sridhar Balakrishnan (Appointed as Member w.e.f. February 21, 2020)	Executive/Non-Independent	Not Applicable	✓	✓

Mr Sunil Mehta, Chairman of the Committee was present at the Annual General Meeting held on July 6, 2020.

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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, Twenty-four (24) 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 as on December 31, 2020 which now 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 (1/2) 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, 2020 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					
		February 20, 2020	April 10, 2020	August 27, 2020	October 19, 2020	December 9, 2020 (Original Meeting)	December 22, 2020 (Adjourned Meeting)
Mr S. V. Haribhakti, Chairman	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr N. S. Sekhsaria	Non-Executive/ Non-Independent	✓	✓	✓	✓	Leave of Absence	Leave of Absence
Mr Martin Kriegner	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓	✓
Mr Vinayak Chatterjee	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓

Mr S. V. Haribhakti, Chairman of the Committee was present at the Annual General Meeting held on July 6, 2020.

Corporate Social Responsibility (CSR) and 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 Committee broadly includes:

- to review CSR projects with a view to ensure that they are in line with the CSR objectives and the CSR and 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 from 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, 2020 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		
		February 6, 2020	July 17, 2020	September 15, 2020
Mr S. V. Haribhakti, Chairman	Non-Executive/Independent	✓	✓	✓
Ms Falguni Nayar	Non-Executive/Independent	Leave of Absence	✓	✓
Mr Christof Hassig (Ceased to be Member w.e.f. February 20, 2020)	Non-Executive/Non-Independent	✓	Not Applicable	Not Applicable
Mr Vijay Kumar Sharma (Ceased to be a Member w.e.f. July 20, 2020)	Non-Executive/Non-Independent	✓	✓	Not Applicable
Mr Neeraj Akhoury (Ceased to be a Member w.e.f. February 20, 2020)	Executive/Non-Independent	✓	Not Applicable	Not Applicable
Mr Neeraj Akhoury (Appointed as Member w.e.f. February 21, 2020)	Non-Executive/Non-Independent	Not Applicable	✓	✓
Mr Sridhar Balakrishnan (Appointed as Member w.e.f. February 21, 2020)	Executive/Non-Independent	Not Applicable	✓	✓

Mr S. V. Haribhakti, Chairman of the Committee was present at the Annual General Meeting held on July 06, 2020.

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 www.acclimited.com/source/new/csr/ACC-CSR-Policy-Neeraj-Feb-4-300DPI.pdf and the CSR Report forms an integral part of the Board's Report.

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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 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. 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 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, 2020 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	
		February 6, 2020	July 17, 2020
Ms Falguni Nayar, Chairperson	Non-Executive/Independent	✓	✓
Mr S. V. Haribhakti	Non-Executive/Independent	✓	✓
Mr S. K. Roongta	Non-Executive/Independent	✓	✓
Mr V. K. Sharma (Ceased to be a Member w.e.f. July 20, 2020)	Non-Executive/Independent	✓	✓
Mr Neeraj Akhoury (Ceased to be a Member w.e.f. February 20, 2020)	Executive/Non-Independent	✓	Not Applicable
Mr Sridhar Balakrishnan (Appointed as Member w.e.f. February 21, 2020)	Executive/Non-Independent	Not Applicable	✓

Ms Falguni Nayar, Chairperson of the Committee was present at the Annual General Meeting held on July 6, 2020.

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 & 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, 2020 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		
		February 6, 2020	July 17, 2020	October 16, 2020
Mr S. K. Roongta, Chairman	Non-Executive/Independent	✓	✓	✓
Mr S. V. Haribhakti	Non-Executive/Independent	✓	✓	✓
Mr D. Sundaram	Non-Executive/Independent	✓	✓	✓
Mr Neeraj Akhoury (Ceased to be a Member w.e.f. February 20, 2020)	Executive/Non-Independent	✓	Not Applicable	Not Applicable
Mr Sridhar Balakrishnan (Appointed as Member w.e.f. February 21, 2020)	Executive/Non-Independent	Not Applicable	✓	✓

Mr S. K. Roongta, Chairman of the Committee was present at the Annual General Meeting held on July 6, 2020.

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 Regulation 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, 2020. 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 available on the Company's website and can be assessed through the weblink at <https://www.acclimited.com/assets/new/pdf/CG/Policy-for-determining-material-subsiary.pdf>

The Audited Annual Financial Statements and the Unaudited Quarterly Financial Results, along with the Auditors Limited Review thereon of Subsidiary Companies are presented 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 and Board meetings of subsidiary companies are also presented at the Board meeting of the Parent Company.

DISCLOSURES

Regulations 17 to 27 & Regulation 46 of the SEBI Listing Regulations

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

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	Numbers
a) Number of complaints at the beginning of the financial year	4
b) Number of complaints filed during the financial year	1
c) Number of complaints disposed of during the financial year	4
d) Number of complaints pending as on end of the financial year	1

Disclosure of Non-Compliance of any Requirement of Corporate Governance Report, with Reasons

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.

Indian Accounting Standards (Ind AS)

The Company has prepared its Standalone and Consolidated Financial Statements in accordance with Indian Accounting Standards as notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

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FEES PAID TO STATUTORY AUDITORS

For the year ended December 31, 2020, the Company and its subsidiaries have paid a consolidated sum of ₹3.33 Crore to the statutory auditor and all its entities.

	(₹ Crore)		
	By Company	By Subsidiaries	Total
Statutory Audit fees including fees for tax accounts	2.13	0.06	2.19
Other Services	1.06	0.06	1.12
Reimbursement of expenses	0.02	-	0.02
Total	3.21	0.12	3.33

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 <https://www.acclimited.com/assets/new/pdf/CG/Related-party-transactions-policy.pdf>. In line with the amended SEBI Listing Regulations, the policy has been amended suitably.

There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. Where any material related party transaction is proposed, approval of the shareholders 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.

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 offices.

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 (SEBI) 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 Directors 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 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 No.: 18002092008
- Fax No.: +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 which in turn apprises the Board on such matters as necessary. No personnel have been denied access to the Audit Committee pertaining to the EthicalView Policy.

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 the SEBI Listing Regulations, the Company has formulated the 'Code of Conduct for Prevention of Insider Trading' 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 and their immediate relatives, designated persons 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, 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 of Directors 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 of Directors, 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.

Report on Corporate Governance (Contd.)

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 except as mentioned in Secretarial Audit Report which forms part of Annual Report. 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 BSE Limited's (BSE) on-line portal, BSE Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of The 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 Umashankar Hegde of U. Hegde & Associates, Company Secretaries, 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 status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of the SEBI Listing Regulations is as under:

- 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, 2020 is unmodified.
- The Chief Internal Auditor 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: Wednesday, April 7, 2021
- Time: 3.00 p.m.
- Mode: Video conference/Other audio-visual means
- Deemed Venue: Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (Registered Office)
- Financial Year: January-December 2020
- Dividend Payment Date: On or after April 21, 2021

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 KFintech.

Address for correspondence with the Company

KFin Technologies Private Limited, Selenium Building, Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, 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 also address their requests to the Company's RTA viz. KFintech, for change of address, change in bank details, processing of unclaimed dividend, subdivision 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 RTA/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 RTA/ 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.

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:

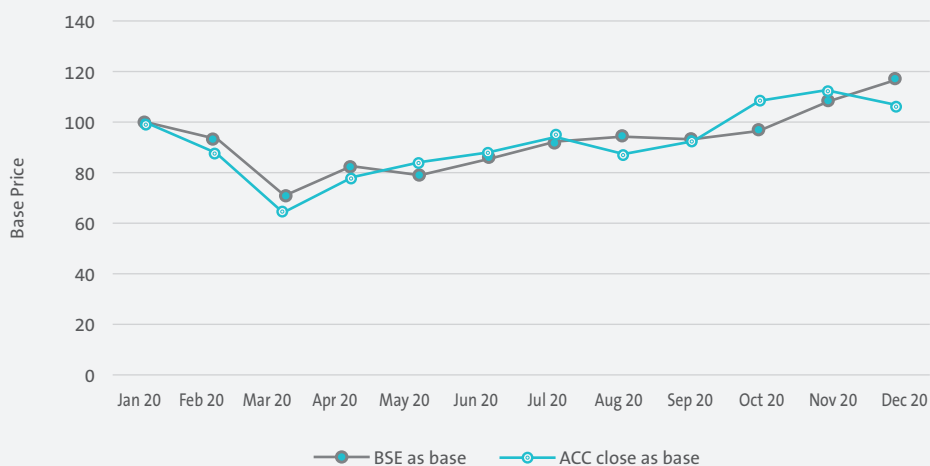
Name & Address of stock exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500410	
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	ACC	INE012A01025

Report on Corporate Governance (Contd.)

ACC Share Price on BSE vis-à-vis BSE Sensex January-December 2020

Month	BSE Sensex Close	ACC Share Price			Number of shares traded during the month	Turnover (₹ Crore)
		High (₹)	Low (₹)	Close (₹)		
January-20	40,723.49	1,578.05	1,431.65	1,504.65	6,82,031	102.96
February-20	38,297.29	1,527.20	1,311.45	1,321.20	7,94,999	115.03
March-20	29,468.49	1,392.50	895.50	967.50	6,03,871	67.15
April-20	33,717.62	1,243.35	936.75	1,179.85	11,42,713	128.55
May-20	32,424.10	1,297.50	1,117.65	1,271.15	9,38,719	112.35
June-20	34,915.80	1,335.80	1,190.00	1,332.00	8,56,236	109.65
July-20	37,606.89	1,455.50	1,254.10	1,424.75	12,20,589	163.96
August-20	38,628.29	1,451.20	1,313.50	1,321.60	5,67,486	79.88
September-20	38,067.93	1,438.00	1,289.70	1,393.85	7,67,785	104.64
October-20	39,614.07	1,700.90	1,395.80	1,648.40	12,17,931	189.87
November-20	44,149.72	1,757.25	1,631.05	1,703.25	9,57,510	161.87
December-20	47,751.33	1,788.05	1,490.00	1,618.40	12,23,183	201.32

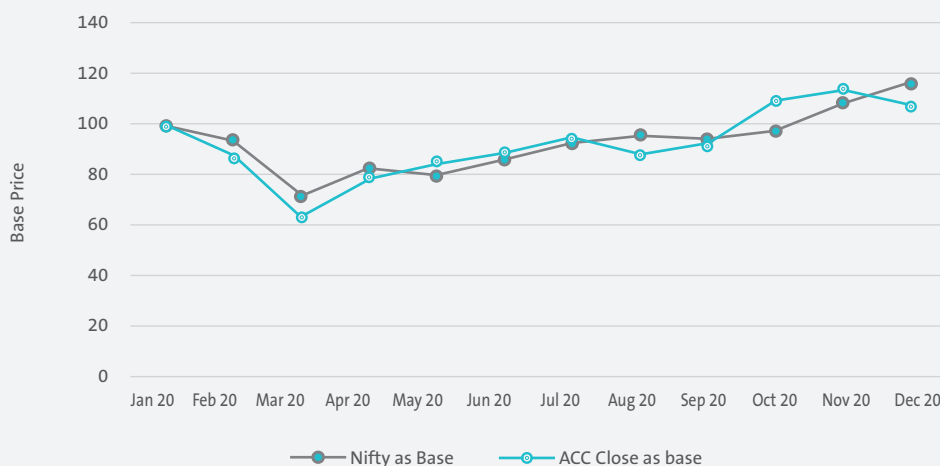
ACC Share Price on BSE and BSE Sensex Trend (Base Price basis)



ACC Share Price on NSE vis-à-vis S&P CNX Nifty January-December 2020

Month	S&P CNX Nifty (Close)	ACC Share Price			Number of shares traded during the month	Turnover (₹ Crore)
		High (₹)	Low (₹)	Close (₹)		
January-20	11,962.10	1,579.60	1,430.55	1,504.60	1,65,35,000	2,496.60
February-20	11,201.75	1,528.00	1,312.05	1,320.85	1,62,40,000	2,345.33
March-20	8,597.75	1,356.45	895.15	968.50	2,35,80,000	2,557.50
April-20	9,859.90	1,244.00	936.95	1,179.10	3,64,20,000	4,037.75
May-20	9,580.30	1,297.95	1,117.20	1,270.20	2,82,16,000	3,381.26
June-20	10,302.10	1,335.60	1,180.00	1,332.25	2,39,52,000	3,061.76
July-20	11,073.45	1,454.90	1,253.00	1,425.45	3,44,41,000	4,656.22
August-20	11,387.50	1,452.95	1,313.05	1,321.80	1,54,16,000	2,171.25
September-20	11,247.55	1,438.05	1,289.00	1,393.45	2,03,76,000	2,764.06
October-20	11,642.40	1,700.00	1,396.00	1,649.00	3,90,35,000	6,136.01
November-20	12,968.95	1,757.00	1,630.00	1,705.05	3,44,97,000	5,835.45
December-20	13,981.75	1,785.00	1,485.00	1,617.65	3,58,12,000	5,905.51

ACC Share Price on NSE and CNX Nifty Trend (Base Price basis)



SHARE TRANSFER SYSTEM/DIVIDEND AND OTHER RELATED MATTERS

Nomination facility for shareholding

As per 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 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.

Report on Corporate Governance (Contd.)

The 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. 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 the Company 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 2021, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 76th final dividend for the year ended December 31, 2013
- 77th interim dividend for the year ended December 31, 2014

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 the 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, 2013 (76 th Final)	April 9, 2014	19.00	June 13, 2021
December 31, 2014 (77 th Interim)	July 24, 2014	15.00	September 27, 2021
December 31, 2014 (77 th Final)	March 20, 2015	19.00	May 24, 2022
December 31, 2015 (78 th Interim)	July 17, 2015	11.00	September 20, 2022
December 31, 2015 (78 th Final)	April 13, 2016	06.00	June 17, 2023
December 31, 2016 (79 th Interim)	July 26, 2016	11.00	September 29, 2023
December 31, 2016 (79 th Final)	March 29, 2017	06.00	June 2, 2024
December 31, 2017 (80 th Interim)	July 17, 2017	11.00	September 21, 2024
December 31, 2017 (80 th Final)	June 13, 2018	15.00	August 18, 2025
December 31, 2018 (81 st Final)	March 22, 2019	14.00	May 27, 2026
December 31, 2019 (82 nd Interim)	May 12, 2020	14.00	July 17, 2027

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 (7) 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 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 acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- iii. Take a printout of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.
- iv. Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of e-form, along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) 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 Officer is Mr. Faisal Qureshi whose e-mail id is faisal.qureshi@acclimited.com.

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 (India) Limited (CDSL).

All corporate benefits on such shares viz. bonus, dividends and so on 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 IEPF Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

UNCLAIMED SUSPENSE ACCOUNT

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, 2020	545	68,405
Number of shareholders/legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	0	0
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	26	5,090
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on December 31, 2020	519	*63,315

**Voting Rights in respect of the aforesaid 63,315 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, there were no investors who have lodged the claims with the Company for transfer of shares from Unclaimed Suspense Account maintained by the Company.

Pending investors' grievances

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

Report on Corporate Governance (Contd.)

Reconciliation of share capital audit

As required by the SEBI Listing Regulations, 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

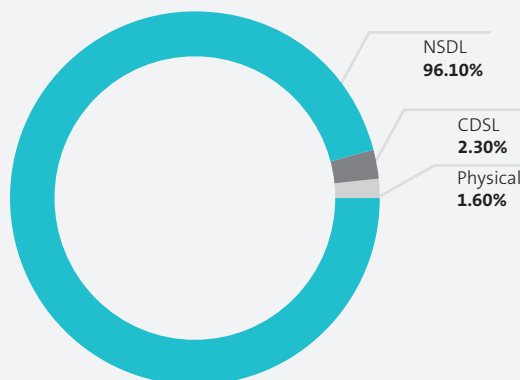
in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and the NSE and is also placed before the Stakeholders' Relationship Committee and Board of Directors.

Distribution of shareholding as on December 31, 2020

Number of shares slab	Number of shareholders	Percentage (%)	Number of Shares						Total number of shares	Percentage of share capital (%)
			Physical	Percentage of share capital (%)	NSDL	Percentage of share capital (%)	CDSL	Percentage of share capital (%)		
1-50	83,578	67.25	1,34,694	0.07	7,33,948	0.39	4,58,149	0.24	13,26,791	0.71
51-100	14,406	11.59	1,40,021	0.07	7,20,876	0.38	3,22,194	0.17	11,83,091	0.63
101-200	9,764	7.86	2,19,177	0.12	9,12,647	0.49	3,37,938	0.18	14,69,762	0.78
201-500	8,346	6.72	4,14,390	0.22	18,31,249	0.98	5,25,209	0.28	27,70,848	1.48
501-1000	3,946	3.18	3,82,182	0.20	19,90,639	1.06	5,04,711	0.27	287,7,532	1.53
1001-5000	3,358	2.70	8,39,558	0.45	49,79,744	2.65	10,21,275	0.54	68,40,577	3.64
5001-10000	384	0.31	2,31,699	0.12	21,12,608	1.13	3,36,230	0.18	26,80,537	1.43
> 10000	500	0.40	6,38,605	0.34	16,71,86,872	89.03	8,12,648	0.43	16,86,38,125	89.80
Total	1,24,282	100.00	30,00,326	1.60	18,04,68,583	96.10	43,18,354	2.30	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.

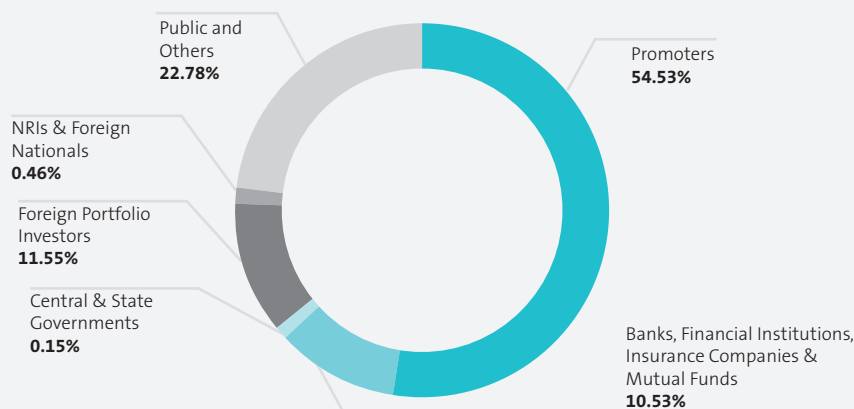
Distribution of Shareholding as on December 31, 2020



Shareholding pattern as on December 31, 2020

Category	Number of shares held	Percentage
Promoter:		
Ambuja Cements Limited	9,39,84,120	50.05
Holderind Investments Limited	84,11,000	4.48
		} 54.53
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
Banks/Financial Institutions	18,03,902	0.96
Insurance Companies	500	0.00
Mutual Funds	1,79,72,495	9.57
		} 10.53
Central & State Governments	2,87,815	0.15
Foreign Portfolio Investors	2,16,82,134	11.55
NRIs/Foreign Nationals	8,73,138	0.46
Directors	0	0
Public and Others	4,27,72,159	22.78
Total	18,77,87,263	100.00

Shareholding Pattern as on December 31, 2020



Statement showing shareholding of more than 1% of the capital as on December 31, 2020

Sr. No.	Name of the shareholders	Number of shares	Percentage of Share Capital (%)
1.	Ambuja Cements Limited (Promoter)	9,39,84,120	50.05
2.	Holderind Investments Limited (Promoter)	84,11,000	4.48
3.	Life Insurance Corporation of India	95,03,365	5.06
4.	Franklin India Bluechip Fund	37,30,162	1.99
5.	NPS Trust A/c SBI Pension Fund Scheme – Central Government	36,67,757	1.95
6.	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Equity Fund	27,14,659	1.45
7.	Tata Balanced Advantage Fund	19,12,424	1.02
	Total	12,39,23,487	66.00

Report on Corporate Governance (Contd.)

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.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NIL

Particulars of past three (3) Annual General Meetings

AGM	Financial Year	Venue/Deemed Venue	Mode	Date	Time	Special Resolutions passed
84 th	Calendar Year 2019	Cement House, 121, Maharshi Karve Road, Mumbai – 400 020	Video Conference/ Other audio-visual means	July 06, 2020	2:30 p.m.	No Special Resolution was passed
83 rd	Calendar Year 2018	Pama Thadani Auditorium Jai Hind College, “A” Road Churchgate (West) Mumbai – 400 020	Physical	March 22, 2019	3.00 p.m.	Re-appointment of Independent Directors for a 2 nd term of five (5) consecutive years commencing from the dates on which their present appointment with the Company expires
82 nd	Calendar Year 2017	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	Physical	June 13, 2018	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 2021

Board meeting for consideration of accounts for the Financial Year ended December 31, 2020 and recommendation of dividend	February 11, 2021
Sending of Annual Reports	On or before March 12, 2021
Record Date	March 31, 2021
Date, Time and Deemed Venue of the 85 th Annual General Meeting	Wednesday, April 7, 2021 at 3.00 p.m. Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (Registered Office)
Dividend Payment Date	On or after April 21, 2021*
Probable date of despatch of warrants	On or after April 21, 2021*
Board meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2021	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, 2021	Within sixty (60) days from the end of the last quarter, as stipulated under the SEBI Listing Regulations

* The Company shall ensure the payment of Dividend within 30 days from the date of declaration of the dividend at the AGM.

The Board in its Meeting held on February 11, 2021 has approved the Report on Corporate Governance for the financial year 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, 2020.

For ACC Limited

Sridhar Balakrishnan

Managing Director & Chief Executive Officer

Mumbai

February 11, 2021

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, 2020 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 Executive Committee 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

Sridhar Balakrishnan

Managing Director & Chief Executive Officer

Yatin Malhotra

Chief Financial Officer

Mumbai

February 11, 2021

Report on Corporate Governance (Contd.)

ANNEXURE 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
ACC Limited
Cement House, 121,
Maharshi Karve 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 Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (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 Sub-clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

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, 2020 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 Director	DIN	Date of appointment in the Company
1.	Mr Narotam Satyanarayan Sekhsaria	00276351	27/12/1999
2.	Mr Sridhar Balakrishnan	08699523	20/02/2020
3.	Mr Jan Jenisch	07957196	17/10/2017
4.	Mr Neeraj Akhoury	07419090	16/12/2016
5.	Mr Martin Krieger	00077715	11/02/2016
6.	Mr Mangalam Ramasubramanian Kumar	03628755	19/10/2020
7.	Mr Shailesh Vishnubhai Haribhakti	00007347	17/02/2006
8.	Mr Sushil Kumar Roongta	00309302	03/02/2011
9.	Ms Falguni SanjayNayar	00003633	24/04/2014
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.

For U. HEGDE & ASSOCIATES,
Company Secretaries

Umashankar K. Hegde
Proprietor

C.P. No.: 11161 # M. No.: ACS 22133
ICSI UDIN: A022133B002324697

Place: Mumbai
Date: January 29, 2021

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
ACC Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. SN/2019-20/22A dated March 20, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of ACC Limited ("**the Company**"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2020, 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 ("**the Listing Regulations**").

MANAGEMENTS' RESPONSIBILITY

3. 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 the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. 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.
6. 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 the 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.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. 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, 2020.
9. 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)
(UDIN: 21040081AAAAAR6650)

Place: Mumbai
Date: February 11, 2021

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, 2020 to December 31, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code wise)**

Group	Class	Sub-class	Description
239	2394	23941 & 23942	Manufacture of clinker and 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, 80 Ready Mixed Concrete Plants and 26 offices, including Registered Office, Regional Offices and Sales Office
10. **Markets served by the Company** : Across all markets in India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid-up capital (INR)** : ₹187.79 Crore
2. **Total turnover (INR)** : ₹13,486.83 Crore
3. **Total profit after taxes (INR)** : ₹1,414.94 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**
The Company's total spending on CSR is 2.05% 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 Swavlamban: focusing on women empowerment and livelihood
 - c) ACC LEISA: for farmer's livelihood – Low External Input Sustainable Agriculture (LEISA)
 - Education**
 - d) ACC Vidya Utkarsh: improving quality of education in government schools
 - e) ACC Vidya Saarathi: student scholarships

Water, Sanitation, Health & Hygiene (WASH)

- f) ACC Arogyam: preventive, promotive and curative healthcare
- g) ACC Sampurna Swachhata: working 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

Others

- j) Affordable housing

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/companies?

The Company has four (4) subsidiaries:

- ACC Mineral Resources Limited
- Bulk Cement Corporation (India) Limited
- Lucky Minmat Limited
- Singhanian 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 have been adopted by Bulk Cement Corporation (India) Limited. While Singhanian Minerals Private Ltd is operational, the remaining two (2) 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%]

Relief work for families affected by super cyclone 'Amphan' in West Bengal was carried out by ACC Trust under CSR initiative. ACC's local cement dealers and Carry and Forward Agents had joined in the initiatives along with Sales Unit officials volunteered during this COVID-19 pandemic and helped the Company to reach out more than 5,000 affected families.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

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

Director Identification Number (DIN): 08699523

Name: Mr. Sridhar Balakrishnan

Designation: Managing Director and Chief Executive Officer

Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Mr. Rajiv Choubey
3	Designation	Chief Legal Officer & Company Secretary
4	Telephone Number	(022) 4159 4222
5	E-mail ID	brr.info@acclimited.com

Business Responsibility Report (Contd.)

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

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business 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	Stakeholder engagement and									Customer relations
		Business ethics	Product responsibility	Well-being of employees	CSR	Human rights	Environment	Public policy	CSR		
		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 and environment policies, which <i>inter alia</i> relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR Policies and 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 Ministry of Environment, Forest and Climate Change (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	-	

Business Responsibility Report (Contd.)

Sr. No.	Questions	Business ethics		Product responsibility	Well-being of employees		Stakeholder engagement and CSR		Human rights		Environment		Public policy		CSR		Customer relations	
		P1		P2	P3		P4		P5		P6		P7		P8		P9	
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		-	
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y		Y	Y	At Executive Committee Meetings	Y		-		Y		-		Y		-	
6	Indicate the link for the policy to be viewed online?	*		-	-		***		-		**		-		***		-	
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		-	

Sr. No.	Questions	Business ethics		Product responsibility	Well-being of employees		Stakeholder engagement and CSR		Human rights	Environment	Public policy		CSR	Customer relations
		P1	P2		P3	P4	P5	P6			P7	P8		
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	-	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	-	Y	-	-

* www.aclimited.com

**https://www.aclimited.com/assets/new/new_pdf/Corporate_Environmentm_Policy.pdf

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

Business Responsibility Report (Contd.)

2(a) 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 benefited 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 grievance redressal system.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the business responsibility 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 Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

Yes, the Company has been publishing its Sustainability Report annually since 2007 (www.acclimited.com/sustainable). Since the Financial Year ended December 2019, the sustainability disclosures became a part of the Integrated Annual Report and can be accessed at www.acclimited.com/investor-relations/financial-annual-results.

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 responsible management. The Company has a Code of Business Conduct (along with Anti-Bribery and Corruption Directive) and a vigil mechanism, named as Ethical View 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 Ethical View Reporting Policy also extend to the Company's business partners, including 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 and can be accessed at 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 123 complaints under the Ethical View Reporting Policy, out of which 108 complaints (88%) were resolved and the balance 15 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 three (3) of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

i. **Blended cements:** Cements, where clinker, an intermediate product, is partially replaced and blended with solid industrial wastes like fly ash and slag to manufacture blended cements. On one hand such replacement results in extending the mine life and saving of natural limestone and at the same time helps in reduction of CO₂ emissions. ACC manufactures three (3) types of blended cements i.e. Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cements. In 2020, out of the total cement produced, ~90% was blended cements.

Use of fly ash and slag in manufacture of blended cement has also helped thermal based power plants in disposing fly ash as a solid waste and thereby addresses an environment concern. Similarly, slag generated from steel plants has been used by the Company which helped disposal of solid waste in a safe manner.

ii. **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 the brand name of 'Geocycle', the Company has provided a safe and sustainable solution for safe disposal of 0.57 million tonnes of waste in 2020, which otherwise would have been disposed of on landfills and dumpsites. Through the co-processing technology, the Company provides a 'Zero Landfill' solution that doesn't create any additional emission and in addition avoids soil contamination, water and air pollution coming from landfill sites, recovery of energy and minerals from the waste materials.

Two examples of projects/services rendered to different stakeholders in different regions

- **Plastic Free Agra Mission (Kymore)**

Using the first-of-its-kind 'Geocycle Bubble Barrier' concept, Geocycle India launched the 'Plastic Free Agra' Mission in the Agra city in February 2020. This project was under the aegis of the United Nations Environment Programme ('UNEP') in line with its initiative of 'Air Pollution Control Plan of Agra'. Geocycle India in collaboration with UNEP India and Agra Municipal Corporation successfully implemented a pilot project by collecting the non-recycled plastic waste from the drain (near Taj Mahal) leading to Yamuna River. The plastic waste from Agra city, along with the plastic waste collected from the drain was segregated into recyclable and non-recyclable. Further, the non-recyclable plastic waste was transported and co-processed at one of the ACC plants.

Business Responsibility Report (Contd.)

Additionally, the project was also traced through using a digital platform to ensure zero leakage of the plastic waste throughout the disposable process.

- **Sustainable Solution for a Clean and Green Kerala (Madukkarai)**

Clean Kerala Company Limited, owned by the Government of Kerala, is formed with an objective of ensuring hygiene management of the State by adopting innovative, scientific and proven technology, adhering to the concept of active participation of the public and private sectors. The Company aims to oversee and ensure comprehensive waste management in the state through the Haritha Keralam mission. Geocycle signed a Memorandum of Understanding (MoU) with Clean Kerala Company for disposing non-recyclable plastic waste. The waste collected through the Haritha Keralam mission, segregated by Kudumbashree waste workers (a poverty eradication and women empowerment community), and stored at different Resource Recovery Centres (RRCs) across the state, was co-processed in one of the Company's cement plants. With a deep commitment towards sustainability and supporting the mission, co-processing of waste contributes towards a regenerative and circular economy by closing resource cycles.

- iii. **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 CO₂ emission, fertile topsoil conservation and utilisation of waste materials. The Company assisted in setting up 43 new Green Building Centres to bring the total number of Green Building Centres to 187 by the end of December 2020.

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 2020)	Previous year (January – December 2019)
Electrical Energy (kWh/Tonnes of cement)	80.65	79.64
Thermal Energy (K Cal/kg of clinker)	742	748
CO ₂ Emissions (kg CO ₂ /Tonnes of cementitious material)*	493	512

*From this year onwards, the Company is reporting specific CO₂ emissions in kg/T of cementitious materials instead of per T of cement.

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

While the Company does not collect information from the customers on energy and water, it manufactures many sustainable products which helps the customers in reducing energy and water consumption during the use/construction phase. The Company's ACC Gold cement with water repellent property requires a comparatively lower water for curing post construction phase, which helps to conserve water. The Company's product such as Insulocrete is a thermal insulating concrete which helps maintain inner temperatures of buildings thereby reducing cooling/heating costs during the use phase of buildings. Some of the Company's concrete products like permacrete is a pervious concrete which allows easy percolation of water through it into the soil below, hence recharging ground water and avoiding wastage through storm water runoffs. The Company's concrete products like insulating concrete/ thermocrete and fly ash/ slag based Green Building Centre products will reduce energy intensity in the use phase of the built environment.

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. It adheres to international standards such as ISO 14001 (Environment Management System) and ensures compliance to the local and national laws and regulations. The Company has a procedure in place for sustainable sourcing of energy, water and transportation. It is also increasing the usage of Alternate Fuel and Raw Materials (AFR) year-on-year to decrease dependency on traditional fuel, i.e. coal.

The Company has engaged Avetta, a leading global consultant in Supplier Qualification. As a result, it has qualified contractors into various counts related to sustainable procurement such as Health and Safety (H&S), Labour, Environment, Bribery and Corruption. The Company prefers to engage with Avetta certified suppliers and supplier performance is ascertained on a periodic basis. Avetta also covers the Company's primary road transporters operating from plants. Evaluation through Avetta encourages safe transportation in line with the Company's goal of ZERO HARM.

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?

The Company is currently working with ~2,300 Small and Medium-sized Enterprise (SME) and Micro, Small & Medium Enterprise (MSME) vendors across the country. The services taken from these vendors fall into categories like housekeeping, painting, catering, small repair works, technicians, welders, transportation and stationery, food and vegetable suppliers. Special consideration is always provided for these vendors in terms of payment for their goods and services made on priority. The vendors are trained on various aspects like safety inside and outside the plant. The employees of vendors also undergo periodic health checks. The Company has always worked on overall development of these vendors and support their employees in areas like education, employment etc. Some of these vendors have expanded their operations to other locations of the Company as well and indeed with other corporate and social entities in the country.

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 does not generate any process-related waste. However, there are ancillary activities like maintenance, housekeeping etc. that generate waste materials like oil-soaked cotton waste, steel scrap, used oil, used filter bags, electrical waste like used bulbs, batteries and others. Sometimes wastes like oil-soaked cotton, used oil, used filter bags are co-processed in the kilns (where Company has permissions), remaining quantum of these waste and other wastes like electrical, electronic waste and steel scrap are sold to the authorised recyclers. For hazardous waste, the relevant returns are filed to the respective regulatory authorities from time to time. Apart from this, the Company also co-processes waste materials generated by other industries or municipalities (segregated municipal waste) in its kiln. It uses flyash, waste from thermal power stations and slag, waste from the 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	Number of Employees
1.	Management staff	3,669
2.	Shop floor associates	2,732
Total		6,401

Business Responsibility Report (Contd.)

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

Sr. No.	Category of Employees	Number of Employees
1.	Third-party Full-time Employees	6,442
2.	Casual employees	0
Total		6,442

3. Please indicate the number of permanent women employees

Number of permanent women employees: 244

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. The Company's shop floor associates are members of their respective unions.

6. What percentage of permanent employees are members of this recognised employee association?

Approximately 43% 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	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	1	1
3	Discriminatory employment	0	0

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 Company's education projects are largely focused on government schools situated in remote rural pockets of India. The scholarship initiative of the Company named Vidya Saarathi targeted disadvantaged students who needed financial support to pursue their dreams of higher education.

The Company continues to run an Anti-Retroviral Therapy (ART) centre to support people affected by HIV / AIDS through medical treatment and counseling. It has also supported patients by organising them in Self-Help Groups (SHGs) and running programmes that help develop life skills. Besides, the Company provides nutrition support to HIV-infected people, as well as their family members, alongside providing quality education to school-going children of these families.

Rainwater harvesting structures created in villages across plant locations to make water available in non-monsoon season for irrigation and drinking purpose. It has also helped recharging of defunct bore wells. In association with government's Integrated Child Development Services (ICDS), eradication of malnutrition project has helped children at Anganwadi centres near to plants.

The Company responded promptly, providing relief to families affected by the super cyclone "Amphan", which caused widespread damage in Eastern India, especially in West Bengal. With the support of cement dealers and Carry and Forward Agents (CFA) along with the Sales and Marketing team of ACC, 5,160 families were provided relief kits and ration.

During the COVID-19 pandemic, the Company joined hands with the district administration near plant locations and reached out to 6.83 Lakh people. Dry ration and cooked food were provided as immediate relief to stranded workers. ACC Trust-supported SHGs stitched and distributed 4 Lakh+ cotton masks. Sanitisation was carried out among communities near the plants. Mass scale awareness drives in communities were conducted on the usage of masks, social distancing and the importance of hand washing. The Government Hospitals of Maharashtra were provided seven (7) ventilators to keep patients safe. Frontline health workers were provided hand gloves, sanitisers and masks. As many as 265 employees volunteered from various departments of the Company voluntarily served communities in need during the pandemic.

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 /Non-Governmental Organisations (NGOs)/ Others?

All aspects of the human rights are in-built and covered under the Code of Business Conduct as well as 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 CO₂ emissions and has identified five (5) key levers to achieve the CO₂ reduction:

- Clinker substitution by making blended cements
- Alternative Fuel and Raw Materials ('AFR')

Business Responsibility Report (Contd.)

- 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 the Company's webpage: 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 the Business Risks and Opportunities 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 (3) registered projects under the CDM and Environmental Compliance Report (Validation and Verification Reports) have been filed and Certified Emission Reductions Reports were issued. Due to the prevailing market mechanisms of CDM, the Company has not pursued this mechanism during 2020 and has not filed any environmental compliance report (validation and verification reports).

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, the Company has made significant strides in attaining energy efficiency in its cement plants/ captive power plants by following initiatives:

- Three (3) 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 pre-processing and co-processing in cement plants
- Solar photovoltaic plant of 5.35 MWp at Jamul Cement Works, Chhattisgarh and 380 kWp Solar PV at Kymore mines
- Various energy efficiency improvement initiatives in operations

Details on the above initiatives can be seen at the link: www.acclimited.com/sustainable/environment-and-energy

6. Are the emissions/waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB)/State Pollution Control Board (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 accordingly by the end of the year 2020.

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. 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 Policies, 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 and industrial hazardous and non-hazardous wastes
 5. Use of recycled waste materials (construction and 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 WHRS
 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. Flyash-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 specific programmes/ initiatives/ projects in pursuance of its CSR policy (Reference: 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 various needs of the host communities as per the priority expressed by the communities. Conscious efforts were made to prioritise women-headed, landless and small and 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 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 education
 - c) Water, Sanitation, Health & 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.

Business Responsibility Report (Contd.)

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

After conducting social audit of CSR projects for five (5) consecutive years, the Company has decided to do it every alternate year to provide enough room for necessary actions on ground. The next round of social audit is due in December 2021.

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 ₹32.33 Crore on development projects as mentioned below:

Sr. No.	Focus Areas	Expenditure (₹ in Crore)
1	ACC DISHA: for youth employability	3.95
2	ACC Swavlamban: focusing on women empowerment and livelihood	1.81
3	ACC LEISA: for farmer's livelihood – Low External Input Sustainable Agriculture (LEISA)	6.18
4	ACC Vidya Utkarsh: quality of education in government schools	4.69
5	ACC Vidya Saarathi: student scholarships	1.27
6	ACC Arogyam: preventive, promotive and curative healthcare	5.91
7	ACC Sampurna Swachhata: towards open defecation free villages	2.78
8	ACC Sanrakshit Paryavaran: solar, biodiversity and soil and water conservation	2.97
9	ACC Drona: to promote rural sports and traditional Indian culture	1.00
10	Affordable housing	0.20
11	Overheads	1.57
Total		32.33

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 is drawn from need assessments done by third parties through participatory rural appraisal method based micro plan. A Community Advisory Panel (CAP), comprising 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. Women Self Help Groups were federated into registered federation, Farmers Producer Organisation were also registered to get development initiative successfully adopted by the community. Community contribution is always a priority as it ensures continuance of the project through self-governance model.

Community management principles and institutional building measures are in-built in all the CSR projects from need assessment stage to impact assessment at the end. 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 2020?

A total of 1,241 complaints were received from customers in 2020, out of which 33 (accounting for 2.66%) were pending as of December 31, 2020.

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, the Company has obtained Environment Product Declaration (EPD) for all its cement and concrete products. Cement EPD can be viewed at www.environdec.com/Detail/?Epd=13228

and Concrete EPD can be viewed at www.environdec.com/Detail/epd1116. All cement products of the Company 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 behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

- a) The Builders Association of India ('BAI') had filed a complaint in July 2010 before the Competition Commission of India ('CCI') alleging anti-competitive behavior on the part of major cement manufacturers including the Company. The CCI investigated the matter and post which an order was passed against the cement manufacturers and a penalty of ₹1,147.59 Crore was levied on the Company. The CCI order was challenged by the Company before the National Company Law Tribunal ('NCLAT'), who vide its judgment dated July 25, 2018, dismissed the appeal of the Company. The Company preferred an appeal before the Hon'ble Supreme Court of India against the NCLAT Order/judgment. 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 same interim orders passed by NCLAT towards stay on the demand subject to continuance of deposit of 10% of the penalty amount.
- b) On a complaint filed by the Director General (Supply & Distribution), Department of Civil Supplies, Government of Haryana, CCI registered a case of alleged anti-competitive behavior (allegations of bid rigging) against cement companies including the Company. The CCI vide order dated January 19, 2017 imposed a penalty of ₹35.32 crores. The Company has filed an appeal in NCLAT against the above order and the appeal is pending before NCLAT.
- c) On complaints received from BAI and other persons, the CCI vide order dated July 1, 2019 has ordered an investigation against the cement companies and has asked the office of Director General ('DG') to submit its report. The Company received the intimation for the first time in December 2020 and has responded to the Request for Information received from the office of DG. Currently the matter is with the CCI and no order has been passed.

4. Did the Company carry out any consumer survey/consumer satisfaction trends?

The Company carries out consumer survey and satisfaction survey from time to time based on its commercial needs.

Analysis of Standalone Financial

The following table sets forth the breakup of Company's expenses as part of Revenue from operations:

	Amount in ₹ Crore			
	% of Revenue from operations		% of Revenue from operations	
	2020		2019	
Net Sales	13,486.83	97.84	15,343.11	98.00
Other operating revenue	297.71	2.16	313.54	2.00
Revenue from operations	13,784.54	100.00	15,656.65	100.00
Other Income	203.98	1.48	311.21	1.99
Total Income	13,988.52		15,967.86	
Cost of materials consumed	1,673.09	12.14	2,258.10	14.42
Purchase of stock-in-trade	696.89	5.06	361.69	2.31
Changes in inventories of finished goods, work-in-progress and stock-in-trade	142.41	1.03	100.81	0.64
Employee benefits expense (Refer Note a below)	839.07	6.09	863.97	5.52
Power and fuel	2,572.38	18.66	3,131.34	20.00
Freight and Forwarding expense	3,431.81	24.90	4,050.06	25.87
Finance costs	57.04	0.41	86.22	0.55
Depreciation and amortisation expense	635.30	4.61	602.97	3.85
Other expenses (Refer Note b below)	2,076.74	15.07	2,481.23	15.85
Total expenses	12,124.73	87.96	13,936.39	89.01
Profit before exceptional item and tax	1,863.79	13.52	2,031.47	12.98
Exceptional item (Refer Note c below)	176.01	1.28	-	-
Profit before tax	1,687.78	12.24	2,031.47	12.98
Tax expenses (Refer Note d below)	272.84	1.98	672.56	4.30
Profit for the year	1,414.94	10.26	1,358.91	8.68
Other Comprehensive Income for the year, net of tax	(14.54)	(0.11)	(48.98)	(0.31)
Total Comprehensive Income for the year	1,400.40	10.16	1,309.93	8.37

Profit for the year is not comparable with the previous year due to following reasons:

- Employee benefits expense for the current year includes ₹21 Crore (*Previous year – Nil*) on account of charge for Employee Separation Scheme.
- Other expenses for the current year includes expected credit loss of ₹129 Crore (*Previous year – Nil*) on Incentives under Government schemes.
- Exceptional item represents impairment of assets of ₹176 Crore at 'Madukkarai Unit'.
- Tax expenses reduced due to reversal of net deferred tax liabilities as on January 1, 2020 amounting to ₹190 Crore on account of adoption of lower income tax rate and impact of lower rate on taxes for the current year.

The construction industry was heavily impacted in India due to lockdown in early 2020. However, the Company has gradually recovered from the COVID-19 pandemic in subsequent months. Monthly cement sales volumes have swiftly rebounded in the third quarter.

Fast and rigorous execution of the "HEALTH, COST & CASH" action plan by the Company produced strong financial results in the second half of the year, compensating for a large part the pandemic related impact in the first half of the year.

The Company has delivered strong operational results in the year with a 3% increase in EBITDA and margin expansion of 270 basis points driven by Product Mix Optimisation and implementation of cost efficacy measures under project "Parvat".

Analysis of Standalone Financial

The analysis of major line items in the financial statements is given below:

1. REVENUE FROM OPERATIONS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Cement*	12,364.72	13,603.43	(1,238.71)	(9.11)
Clinker	166.69	266.65	(99.96)	(37.49)
Ready Mix Concrete (RMX)	952.07	1,469.13	(517.06)	(35.19)
Income from services rendered (RMX)	3.35	3.90	(0.55)	(14.10)
Other operating revenue	297.71	313.54	(15.83)	(5.05)
TOTAL	13,784.54	15,656.65	(1,872.11)	(11.96)

*Does not include inter-segment cement sale to Ready Mix Concrete

Revenue from operations has decreased due to following reasons:

- The Company's cement sales volume is at 25.53 Million tonnes as compared to 28.89 Million tonnes during previous year. The revenue of the Company was impacted due to COVID-19 nationwide lockdown in early part of 2020.
- Average selling price of cement increased by 3% in 2020 over 2019. Improvement in realisation was driven by better product & segment mix and improved price actions.
- Continued thrust on promotion of the Company's range of premium products, yielded an increase of about 3% in the sales volume of these products during the year.
- Due to COVID-19 pandemic, Company's Ready Mix Concrete business sales volume de-grew by 36%. Sale of Ready Mixed Concrete has decreased from 35.32 Lakh cubic metres to 22.70 Lakh cubic metres.

Other operating revenue

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.

- Other operating revenue has decreased due to lower accrual of incentives under Government schemes on account of lower sales during nationwide lockdown period.

2. OTHER INCOME

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Other income	203.98	311.21	(107.23)	(34.46)

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 reduced due to following reasons:

- Other income of the previous year included reversal of provision for interest on income tax aggregating ₹99 Crore due to disposal of certain appeals in favour of the Company.
- Other income of the previous year included net gain on disposal/retirement of Property, Plant and Equipment of ₹24 Crore due to sale of old and used assets.
- Reduction is partially offset by higher income of ₹14 Crore generated from investment of surplus funds in current year and gain of ₹4 Crore on sale of investment in Subsidiary Company.

Analysis of Standalone Financial

3. COST OF MATERIALS CONSUMED

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Cost of materials consumed	1,673.09	2,258.10	(585.01)	(25.91)

Cost of materials consumed has decreased due to following reasons:

- Cement production has decreased by 15% from 27.87 million tonnes to 23.77 million tonnes. Cost of materials consumed of cement business has decreased from ₹535/t to ₹474/t of cement sold in 2020 (down by 11%) through continuous focus on manufacturing and procurement efficiencies.
- Ready Mix Concrete production has decreased by 36% from 35.24 Lakh cubic metres to 22.70 Lakh cubic metres in 2020 in line with the RMX sales volume de-growth.
- Consumption of purchase of clinker and limestone has decreased by ₹61 Crore in line with decrease in production.
- 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 landed cost of gypsum by 13% as compared to the previous year.
- The landed cost of slag is lower by 21% during the year compared to 2019 by improvement in procurement planning and better supply chain efficiencies.
- The landed cost of Flyash is reduced by 6% as compared to previous year on account of an increase in the consumption of lower cost wet Flyash and source-mix optimisation.

4. PURCHASE OF STOCK-IN-TRADE

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Purchase of stock-in-trade	696.89	361.69	335.20	92.68

Purchase of stock-in-trade has increased primarily on account of significant ramp-up of volumes under Master Supply Agreement (MSA) with Ambuja Cements limited.

5. CHANGES IN INVENTORIES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	142.41	100.81	41.60	41.27

- Inventory reduction remained one of the key targets of company to reach optimised working capital. As a result the value of inventory of finished and semi-finished goods has reduced by 34% as compared to the previous year.

6. EMPLOYEE BENEFITS EXPENSE

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Employee benefit expense	839.07	863.97	(24.90)	(2.88)

Employee costs registered a decrease of 3% due to following offsetting reasons:

- Manpower productivity actions and efficiency measures across various functions helped reduce the employee costs during the year.

Decrease in cost is partially offset by:

- During the current year, the Company has incurred an amount of ₹21 Crore on account of Employee Separation Scheme to improve the manpower productivity.
- Increments in salaries.

Analysis of Standalone Financial

7. POWER AND FUEL

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Power and Fuel	2,572.38	3,131.34	(558.96)	(17.85)

Power and fuel cost has decreased due to following reasons:

- Clinker production decreased by 17%. Power and Fuel cost of cement business has decreased from ₹1078/t to ₹1003/t (down 7%) of cement sold in 2020, mainly due to a drop in fuel prices.
- Landed cost of imported coal and petcoke has decreased in the range of 10% to 11%. Landed cost of domestic coal has also decreased by 14%.
- 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, improvement in competencies and efficiencies at plants and maximising the use of renewable power sources. These initiatives are leading to the following manufacturing efficiencies:
 - The cost of generation at our thermal power plants (TPP) has gone down by 3%.
 - Electrical energy impacted by 1.1 kwh to 80.7 kwh/t of cement during the year as against 79.6 kwh/t cement in 2019.
 - The average cost of purchased power during the year is reduced by 2% as compared to previous year.
 - Power generated by the Waste Heat Recovery Plant of 7.5 MW at Galgal plant delivered the savings of ₹22 Crore (Previous year – ₹26 Crore).
 - Renewable sources of energy helped cut down power costs and also helped meet renewable energy obligations.

8. FREIGHT AND FORWARDING EXPENSE

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Freight and Forwarding expense				
Freight on Clinker transfer	489.83	495.82	(5.99)	(1.21)
Freight on Cement	2,312.68	2,736.92	(424.24)	(15.50)
Clearing and Forwarding expenses on cement	522.70	659.97	(137.27)	(20.80)
Ready Mixed Concrete	106.60	157.35	(50.75)	(32.26)
TOTAL	3,431.81	4,050.06	(618.25)	(15.27)

Freight on Cement has decreased due to following reasons:

- Cement despatches decreased by 15% as compared to previous year. Freight on cement has decreased from ₹947/t to ₹906/t of cement sold in 2020 (down by 4%).

Following continuous efforts helped achieve reduction in logistics cost including improving efficiencies:

- The Company implemented logistics cost and efficiency improvement initiatives such as better evacuation efficiency, warehouse footprint optimisation, focus on road despatches and renegotiation of contracts with the transporters.
- Focus on increasing direct road despatches which was up by 20%, higher evacuation efficiency from low cost and high contribution plants.
- Reduction in overall lead distance and significant ramp-up of Master Supply Agreement (MSA) volume.
- Improvement in operational efficiencies through mode-mix optimisation.
- Decrease in cost is partially offset by higher diesel prices in H2 2020.

Clearing and Forwarding Expenses on cement has decreased due to following reasons:

- Clearing and Forwarding expenses on cement has decreased from ₹228/t to ₹205/t of cement sold in 2020 (down by 10%) through warehouse footprint optimisation and increase in direct despatches.

Freight cost on sale of Ready Mix Concrete has gone down due to decrease in volumes.

Analysis of Standalone Financial

9. FINANCE COSTS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Interest				
- On Income tax	4.76	16.90	(12.14)	(71.83)
- On Defined benefit obligation	13.76	7.91	5.85	73.96
- Interest on deposits from dealers	17.14	33.45	(16.31)	(48.76)
- Interest on litigation matters	0.56	17.73	(17.17)	(96.84)
- Interest on Lease Liabilities	9.80	-	9.80	-
- Others	9.56	8.36	1.20	14.40
Unwinding of site restoration provision	1.46	1.87	(0.41)	(21.93)
TOTAL	57.04	86.22	(29.18)	(33.84)

Overall Finance cost has decreased due to following reasons:

- Interest on income tax was higher in 2019 due to interest provision on outstanding demand for earlier years paid in 2020.
- Interest on deposits from dealers has reduced mainly due to reduction in interest rate.
- During the previous year, the Company charged interest of ₹18 Crore relating to entry tax and royalty on limestone matters.
- Interest on Lease Liabilities on account of implementation of new Indian Accounting Standard (Ind AS) 116 Leases.

10. DEPRECIATION AND AMORTISATION EXPENSE

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Depreciation on Property, Plant and Equipment	604.03	599.22	4.81	0.80
Amortisation of intangible assets	3.90	3.75	0.15	4.00
Depreciation on Right of use assets	27.37	-	27.37	-
TOTAL	635.30	602.97	32.33	5.36

There is no significant change in Depreciation and Amortisation expense except for recognition of depreciation on Right of use assets on account of implementation of new Indian Accounting Standard (Ind AS) 116 Leases.

Analysis of Standalone Financial

11. OTHER EXPENSES

Other expenditure represents the following expenditure:

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Consumption of stores and spare parts	224.77	325.82	(101.05)	(31.01)
Consumption of packing materials	386.26	458.13	(71.87)	(15.69)
Rent	75.59	130.61	(55.02)	(42.12)
Rates and taxes	76.94	139.32	(62.38)	(44.78)
Repairs	126.25	149.06	(22.81)	(15.30)
Insurance	25.51	20.34	5.17	25.43
Royalties on minerals	240.05	276.83	(36.78)	(13.29)
Advertisement	56.58	111.60	(55.02)	(49.30)
Technology and Know-how fees	132.79	152.33	(19.54)	(12.83)
Expected credit loss on Incentives under Government schemes	128.92	-	128.92	100.00
Impairment losses on trade receivables	37.34	21.51	15.83	73.59
Corporate Social Responsibility expense	32.33	25.07	7.26	28.96
Miscellaneous expenses	534.43	672.93	(138.51)	(20.58)
Self-Consumption of cement	(1.02)	(2.32)	1.30	(56.03)
TOTAL	2,076.74	2,481.23	(404.48)	(16.30)

- Consumption of Stores and spares parts has decreased as compared to previous year. The Company has optimised the overall maintenance cost.
- Consumption of packing material cost has decreased due to reduction in volumes and packing material prices. Average price of packing bags has decreased by 4% mainly due to reduction in prices of polypropylene granules.
- Rent expenses has reduced due to following reasons:
 - Adoption of Ind AS 116 “Leases” effective January 01, 2020 has resulted in reduction in lease expenses by ₹15 Crore.
 - Cement grinding charges paid to third party has decreased by ₹35 Crore in current year due to reduction in volume.
- Rates and taxes reduced mainly due to abolishing of toll tax in the State of Jammu and Kashmir with effect from January 01, 2020.
- Advertisement expenses were higher in previous year. During the previous year, ACC unveiled a new brand campaign “Karein Kuch Kamaal”.
- Technology and Know-how fees represent the amount paid to Holcim Technology Ltd for technical support received by the Company.
- In view of the re-assessment in the expected recovery period for incentives receivables from the government accrued under the respective State Industrial Policy, a charge of ₹129 Crore due to time value of money computed based on the expected credit loss method has been accounted for.
- Impairment loss on trade receivable has increased primarily on account of increase in expected credit loss in Ready Mix Concrete business which is mainly due to slowdown in view of COVID-19 pandemic.
- Miscellaneous expenses include commission paid to third party, information technology services, traveling expenses, other third party services, etc. Pursuing cost reduction and cost avoidance through various initiatives have resulted in overall reduction of miscellaneous expenses.

Analysis of Standalone Financial

12. EXCEPTIONAL ITEM

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Exceptional item	176.01	-	176.01	-

- Considering lower profitability due to higher input cost, the Company has suspended part of its operation at Madukkarai plant. The Company has carried out a review of the recoverable amount of the assets. The recoverable amount is assessed to be lower than its carrying amount and consequently an impairment loss of ₹176 Crore has been recognised and disclosed as an exceptional item.

13. TAX EXPENSES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Current tax	547.38	689.81	(142.43)	(20.65)
Deferred tax (credit)/charge	(274.54)	(17.25)	(257.29)	1,491.54
TOTAL	272.84	672.56	(399.72)	(59.43)

- Normalised income tax expenses decreased in line with a decrease in income mainly due to impairment of assets and one time charge towards time value of money of Government Incentives.
- During the year, the Company has adopted the lower income tax rate (25.17% including surcharge) and accordingly, the net deferred tax liability as on January 01, 2020 amounting to ₹190 Crore has been reversed.
- Tax expense for 2020 decreased due to adoption of lower income tax rate with effect from April 1, 2020.

14. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Property, Plant and Equipment	6,482.91	6,957.28	(474.37)	(6.82)
Capital work-in-progress	545.30	435.34	109.96	25.26
Other Intangible assets	45.80	34.09	11.71	34.35
TOTAL	7,074.01	7,426.71	(352.70)	(4.75)

Property, Plant and Equipment has decreased due to following offsetting reasons:

- During the year, the Company has recognised impairment loss of ₹176 Crore (including Capital work-in-progress ₹18 Crore) relating to Madukkarai plant.
- The Company has reclassified ₹38 Crore relating to Finance Lease of assets from Property, Plant and Equipment to Right of Use Assets pursuant to adoption of Ind AS 116.
- Depreciation and amortisation on Property, Plant and Equipment for the year is ₹608 Crore.
- During the year, the Company has capitalised Property, Plant and Equipment of ₹338 Crore mainly consisting of routine maintenance and efficiency/productivity improvement capex.
- Capital work-in-progress includes capital expenditure for increasing the operating capacity, and efficiency improvement and maintenance capex. Capital work-in-progress as at December 31, 2020 includes ₹250 Crore for capacity expansion projects.
- The Company successfully commissioned a new Grinding Unit with a cement capacity of 1.4 MTPA on January 2, 2021 at Sindri, in the State of Jharkhand which will further strengthen our positioning in the eastern region.

Analysis of Standalone Financial

15. RIGHT OF USE ASSETS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Right of use assets	129.89	-	129.89	-

- The Company has adopted Ind AS 116 effective January 01, 2020, using 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, are recognised at the present value of the remaining lease payments starting January 01, 2020, and discounted with the incremental borrowing rate as of that date.
- The Company's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, plant and equipment, office premises and other premises.

16. INVESTMENTS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Investments in subsidiaries, associates and joint ventures	212.43	226.45	(14.02)	(6.19)
Other Non-current investments	8.20	3.70	4.50	121.63
TOTAL	220.63	230.15	(9.52)	(4.14)

- During the year, the Company divested 100% stake in its wholly-owned subsidiary company National Limestone Company Private Limited under a Share Purchase Agreement dated November 18, 2020 for a consideration of ₹20 Crore and accounted for ₹4 Crore as profit on sales.
- During the year, the Company has subscribed 25,78,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹4.50 Crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh for which the Company's Tikaria plant would be one of the consumers.

17. FINANCIAL ASSETS – LOANS AND ADVANCES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Non-current loans	129.35	135.92	(6.57)	(4.83)
Current loans	59.80	31.43	28.37	90.26
TOTAL	189.15	167.35	21.80	13.03

- Loans and advances consist of deposits given for power supply and deposits for supply of raw materials and loan to employee. Loans and advances have increased mainly due to additional security deposit given for supply of raw materials.

18. OTHER ASSETS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Other non-current assets	653.86	399.15	254.71	63.81
Other current assets	687.17	803.41	(116.24)	(14.47)
TOTAL	1,341.03	1,202.56	138.47	11.52

Other non-current assets have gone down due to following reason:

- Capital Advances has increased by ₹254 Crore mainly due to capital advance given for Ametha expansion project.

Other current assets have gone down due to following offsetting reasons:

- During the year, the Company has taken various steps to reduce the advance to suppliers for raw material. As a result the advances have gone down by ₹178 Crore.

Analysis of Standalone Financial

- Decrease in other current assets is partially offset by higher GST input tax credit receivables of ₹77 Crore. GST input credit was higher in view of capex projects and maintenance activity planned in the last quarter.

19. OTHER FINANCIAL ASSETS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Other non-current Financial assets (Net)	645.65	609.86	35.79	5.87
Other current Financial assets	266.27	270.51	(4.24)	(1.57)
TOTAL	911.92	880.37	31.55	3.58

Other Financial Assets has increased primarily for following offsetting reasons:

- Accrual of GST Incentives of ₹160 Crore during the year under Government schemes for Sindri and Chanda plants.
- In view of the management re-assessing the expected recovery period for incentives receivables from the government accrued under the respective State Industrial Policy, a charge of ₹129 Crore taken due to time value of money computed based on the expected credit loss method.

20. INVENTORIES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Raw Materials	115.54	117.44	(1.90)	(1.62)
Work-in-progress	147.84	177.61	(29.77)	(16.76)
Finished Goods	111.74	230.96	(119.22)	(51.62)
Stock-in-trade	14.48	7.90	6.58	83.29
Stores and Spare Parts	248.94	310.85	(61.91)	(19.92)
Packing Materials	24.07	20.65	3.42	16.56
Fuels	237.86	275.54	(37.68)	(13.67)
TOTAL	900.47	1,140.95	(240.48)	(21.08)

- Average inventory turnover in sales days has decreased from 34 days in 2019 to 28 days in 2020 due to reduction in inventory. This shows how well the Company managed its inventory levels during the year. Inventory (days) is calculated as Average Inventory/Cost of Goods Sold (Cost of Sales + Depreciation) multiplied by 365.
- Inventory of Stores and Spare Parts has decreased due to strict control on procurement.

21. TRADE RECEIVABLES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Trade receivables – Cement	234.25	308.42	(74.17)	(24.05)
Trade receivables – Ready Mixed Concrete	217.28	320.01	(102.73)	(32.10)
TOTAL	451.53	628.43	(176.90)	(28.15)

- Trade receivable has decreased significantly due to better collection and strict credit norms.
- The average trade receivables in sales days outstanding for cement sales as on December 31, 2020 is 8 as compared to 12 as on December 31, 2019. This shows consistency in managing its credit with the customers and this also reflects on the stable financial position of most of its customers. Debtor Turnover (days) is calculated as Average Debtors/Total Consolidated Sales multiplied by 365.

Analysis of Standalone Financial

22. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Cash and Cash Equivalents	5,734.92	4,383.18	1,351.74	30.84
Other bank balances	156.17	154.92	1.25	0.80
TOTAL	5,891.09	4,538.10	1,352.99	29.81

Cash and cash equivalents consists 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.

- During the year, the Company has generated additional cash and cash equivalents amounting to ₹1,352 Crore, up by 31% versus 2019. The improvement is driven by "HEALTH, COST & CASH" action plan, improved collection and renegotiation of payment terms with suppliers.

23. PROVISIONS

	Amount in ₹ Crore			
	2020	2019	Change	Change
Non-current provisions	213.57	234.13	(20.56)	(8.78)
Current provisions	15.87	23.39	(7.52)	(32.15)
TOTAL	229.44	257.52	(28.08)	(10.90)

- Provision includes employee benefits and site restoration. Non-current provisions decreased mainly due to discontinuation of additional Gratuity plan with effect from April 30, 2020 for all the eligible employees of management category and consequent disbursement to these employees.

24. TRADE PAYABLES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Trade Payables	1,416.30	1,470.97	(54.67)	(3.72)

- Average trade payable in sales days has marginally decreased from 40 days in 2019 to 39 days in 2020.

25. OTHER CURRENT LIABILITIES

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Other current financial liabilities				
Interest accrued	13.89	26.50	(12.61)	(47.58)
Unpaid dividend & Deposit	28.49	30.92	(2.43)	(7.87)
Security deposits and retention money	801.26	710.54	90.72	12.77
Liability for capital expenditure	34.87	52.17	(17.30)	(33.16)
Lease liabilities	18.50	-	18.50	-
Provision for employees	128.55	113.83	14.73	12.94
Foreign currency forward contract	0.28	-	0.28	-
Other current liabilities				
Advance from customers	148.18	156.80	(8.62)	(5.50)
Statutory dues payable	575.14	551.42	23.72	4.30
Rebates to customers	521.56	497.00	24.56	4.94
Other payables	748.22	708.58	39.64	5.59
TOTAL	3,018.94	2,847.76	171.18	6.01

Analysis of Standalone Financial

Other current financial liabilities

- Provision for interest accrued on deposit from dealers has decreased mainly due to reduction in interest rate.
- Security deposits increased mainly due to increase in Security deposit from dealers in line with company's credit policy which was modified to be better equipped during Covid 19 pandemic period. Retention money has also increased due to additional performance related amount for expansion projects.
- Liability for capital expenditure has reduced as substantial work at Sindri expansion has been completed.
- The Company has adopted Ind AS 116 on Leases effective January 01, 2020, current maturities of lease liabilities is shown under "other current financial liabilities".
- Provision for employees as at December 31, 2021 includes ₹21 Crore (*Previous year – Nil*) on account of charge for Employee Separation Scheme.

26. CASH FLOWS

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Net cash flow from operating activities	2,215.57	2,248.35	(32.78)	(1.46)

Net cash from operating activities has marginally decreased as compared to previous year due to following reasons:

- The Company has delivered strong operational results in a Pandemic-Hit Year. The cash operating profit before working capital changes has increased by ₹106 Crore.
- Working capital has decreased by ₹387 Crore as compared to decrease of ₹266 Crore in previous year. The Company continues to maintain strict control on Inventories and trade receivables.
- Increase in cash flow is offset by increase in direct tax paid – (Net of refunds) by ₹260 Crore:
 - During the previous year, the Company received interest on income tax of ₹266 Crore.
 - Tax paid in 2020 has reduced as lower tax rate adopted for FY 2020-21, however reduction is offset by payment of outstanding demand for earlier year.

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Net cash flow from investing activities	(536.59)	(328.32)	(208.27)	63.44

Net cash used for investing activities has increased mainly due to spend on capex on expansion projects.

	Amount in ₹ Crore			
	2020	2019	Change	Change%
Net cash flow used for financing activities	(327.36)	(374.16)	46.80	(12.51)

- Net cash used for financing activities has decreased as Dividend Distribution Tax is abolished with effect from April 1, 2020. Cash flow for previous year included payment of Dividend Distribution Tax of ₹54 Crore.
- Interest payment is lower by ₹17 Crore as compared to previous year.
- Upon adoption of Ind AS 116 in current year, related cash flows are classified as financing activities. Accordingly Payment of Lease Liabilities of ₹25 are disclosed under financing activities.

RATIO ANALYSIS

1. Operating EBITDA margin

	2020		2019	
	18.40		15.70	
Operating EBITDA margin*				

* Before considering charge of ₹129 Crore towards time value of money of Government Incentives in 2020.

- 3% increase in EBITDA in a pandemic-hit year with margin expansion of 270 basis points. Margin expansion driven by Product Mix Optimisation and implementation of cost efficacy measures under project "Parvat".

Analysis of Standalone Financial

2. Return on Average Capital Employed

	(%)	
	2020	2019
Return on Average Capital Employed	16.48	18.43

Return on average capital employed decreased by 195 basis points mainly due to following reasons:

- Earnings before interest on long-term borrowings and tax (EBIT) decreased by 2% against 10% growth in average Capital Employed.

3. Return on Net worth

	(%)	
	2020	2019
Return on Net worth	11.18	11.79

Return on Net worth has decreased marginally by 61 basis points mainly due to 4% growth in Profit after tax against 10% growth in net worth. This shows the Company's strength in generating profits on the shareholders' equity even in the pandemic hit year.

4. Current Ratio

	(Times)	
	2020	2019
Current ratio	1.00	1.04

Decrease in current ratio is mainly on account of decrease in inventory and trade receivables. This reflects on the strong liquidity of the Company.

5. Price Earning Ratio

	(Times)	
	2020	2019
Price Earning Ratio	21.56	20.03

Price Earning Ratio has increased mainly due to increase in Company's share price by 12% as against 4% growth in Basic Earnings per share.

6. Dividend per share, earning per share and Dividend Payout Ratio*

	2020	2019
Dividend per share (₹)	14	14
Basic Earnings per Share (₹)	75.35	72.36
Dividend payout ratio (%)	19	19

*Dividend Payout Ratio for 2019 is calculated without considering dividend distribution tax.

- Basic Earnings per share stood at ₹75.35 for the year ended 2020 registering an increase by 4% as compared to previous year. In a pandemic hit year, performance has improved driven by Product Mix Optimisation and Cost Efficiency Initiatives.

7. Fixed Asset Turnover Ratio

	(Times)	
	2020	2019
Fixed Asset Turnover Ratio	1.90	2.1

- Asset turnover ratio has impacted primarily on account of decrease in net sales due to COVID-19 pandemic.

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, 2020, 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, 2020, 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 40(A)(a) and 40(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 Crore 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 judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 5, 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 Crore 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 judgement, 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.

Independent Auditor's Report

Sl. No. Key Audit Matters	Auditor's Responses
<p>1. Litigation, Claims and Contingent Liabilities:</p> <p>(Refer Notes 24 and 40(A), to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements)</p> <p>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.</p> <p>Based on the nature of regulatory and legal cases management applies significant judgement 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.</p> <p>Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • 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 evaluate 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.
<p>2. Income tax provision:</p> <p>(Refer Notes 22 and 40(A) of the standalone financial statements)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write-back of provisions, due to the following factors:</p> <ul style="list-style-type: none"> • 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. 	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • 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, 2020 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 Company's disclosures made in relation to contingent liabilities.

Independent Auditor's Report

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 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 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 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 judgements 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 judgement and maintain professional scepticism 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

Independent Auditor's Report

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.
- e) On the basis of the written representations received from the directors as on December 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2020 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:

Independent Auditor's Report

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 40 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: 21040081AAAAAP2541

Place: Mumbai

Date: February 11, 2021

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, 2020 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 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, 2020, 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: 21040081AAAAAP2541

Place: Mumbai

Date: February 11, 2021

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 programme 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 programme, 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:

₹ Crore			
Particulars of the land and building	Gross Carrying Value as at December 31, 2020	Net Carrying Value as at December 31, 2020	Remarks
Freehold Land	1.37	1.37	Title deeds are in name of the entities which got merged with the Company.
Buildings	7.82	5.39	
Freehold Land	0.35	0.35	Original title deeds are not available. Copies are available.
Buildings	0.39	0.34	

In respect of immovable properties of land that have been taken on lease and disclosed as right of use assets 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:

₹ Crore			
Particulars of the land	Gross Carrying Value as at December 31, 2020	Net Carrying Value as at December 31, 2020	Remarks
Leasehold Land	2.34	2.04	Title deeds are in name of the entities which got merged with the Company.
Leasehold Land	1.19	1.03	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

Annexure “B” to the Independent Auditor’s Report

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 been 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, 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. The Company has generally been regular in depositing the undisputed statutory dues relating to Goods and Service Tax, considering the relief provided to taxpayers by the Government vide Notification No. 31/2020 dated April 3, 2020.

(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, 2020 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, Value Added Tax and Goods and Services Tax which have not been deposited as on December 31, 2020 on account of disputes are given below:

				₹ Crore	
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	155.76	
			2013-2014	3.14	
			2015-2016	65.18	
			2017-2018	92.70	
Sales Tax/Value Added Tax	Sales Tax, VAT, Penalty and Interest	High Court	1984-2018	147.70	
		Appellate Authorities & Tribunal	1984-2018	186.99	
		Commissioner	1990-2018	22.87	
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	128.11	
		Commissioner	2001-2018	1.58	
Finance Act, 1994	Service Tax, Penalty and Interest	Appellate Authorities & Tribunal	2001-2018	172.74	
		Commissioner	2005-2018	37.83	
Custom Act, 1962	Customs Duty, Penalty and Interest	Appellate Authorities & Tribunal	2012-2013	0.47	
Goods and Services Tax Act, 2017	Goods and Services Tax	High Court	2014-2018	9.40	

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: 21040081AAAAAP2541

Place: Mumbai

Date: February 11, 2021

Balance Sheet

as at December 31, 2020

		₹ Crore	
Particulars	Note No.	As at December 31, 2020	As at December 31, 2019
A ASSETS			
1. Non-current assets			
a) Property, Plant and Equipment	2	6,482.91	6,957.28
b) Capital work-in-progress		545.30	435.34
c) Other Intangible assets	3	45.80	34.09
d) Right of use assets	4	129.89	-
e) Investments in subsidiaries, associates and joint ventures	5	212.43	226.45
f) Financial Assets			
(i) Investments	6	8.20	3.70
(ii) Loans	7	129.35	135.92
(iii) Other financial assets	8	645.65	609.86
g) Non-current Tax Assets (Net)		942.04	857.01
h) Other non-current assets	9	653.86	399.15
Total Non-current assets		9,795.43	9,658.80
2. Current assets			
a) Inventories	10	900.47	1,140.95
b) Financial assets			
(i) Trade receivables	11	451.53	628.43
(ii) Cash and cash equivalents	12	5,734.92	4,383.18
(iii) Bank balances other than cash and cash equivalents	13	156.17	154.92
(iv) Loans	14	59.80	31.43
(v) Other financial assets	15	266.27	270.51
c) Current Tax Assets (Net)		71.26	-
d) Other current assets	16	687.17	803.41
		8,327.59	7,412.83
e) Non-current assets classified as held for sale	17	2.91	10.47
Total Current assets		8,330.50	7,423.30
TOTAL – ASSETS		18,125.93	17,082.10
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	12,473.45	11,333.29
Total Equity		12,661.44	11,521.28
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
Lease Liabilities	20	83.98	-
b) Provisions	21	213.57	234.13
c) Deferred tax liabilities (Net)	22	376.20	642.21
Total – Non-current liabilities		673.75	876.34
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	44	6.29	11.27
Total outstanding dues of creditors other than micro and small enterprises		1,410.01	1,459.70
(ii) Other financial liabilities	23	1,025.84	933.96
b) Other current liabilities	24	1,993.10	1,913.80
c) Provisions	25	15.87	23.39
d) Current tax liabilities (Net)		339.63	342.36
Total – Current liabilities		4,790.74	4,684.48
Total – Liabilities		5,464.49	5,560.82
TOTAL – EQUITY AND LIABILITIES		18,125.93	17,082.10
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

For and on behalf of the Board of Directors of ACC Limited,
N. S. SEKHSARIA
Chairman
DIN: 00276351
SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523
YATIN MALHOTRA
Chief Financial Officer

MARTIN KRIEGER
Director
DIN: 00077715
DAMODARANNAR SUNDARAM
Director
DIN: 00016304
NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Mumbai, February 11, 2021

Statement of Profit and Loss

for the year ended December 31, 2020

		₹ Crore	
Particulars	Note No.	For the year ended December 31, 2020	For the year ended December 31, 2019
INCOME			
1. Revenue from operations	26	13,784.54	15,656.65
2. Other Income	27	203.98	311.21
3. TOTAL INCOME (1+2)		13,988.52	15,967.86
4. EXPENSES			
a) Cost of materials consumed	28	1,673.09	2,258.10
b) Purchase of Stock-in-trade	29	696.89	361.69
c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	30	142.41	100.81
d) Employee benefits expense	31	839.07	863.97
e) Power and fuel		2,572.38	3,131.34
f) Freight and Forwarding expense	32	3,431.81	4,050.06
g) Finance costs	33	57.04	86.22
h) Depreciation and amortisation expense	34	635.30	602.97
i) Other expenses	35	2,077.76	2,483.55
		12,125.75	13,938.71
Captive consumption of cement		(1.02)	(2.32)
TOTAL EXPENSES		12,124.73	13,936.39
5. Profit before exceptional item and tax (3-4)		1,863.79	2,031.47
6. Exceptional item {Refer Note – 2(3)}		176.01	-
7. Profit before tax (5-6)		1,687.78	2,031.47
8. Tax expense	22		
a) Current tax		547.38	689.81
b) Deferred tax (credit)/charge		(274.54)	(17.25)
		272.84	672.56
9. Profit for the year (7-8)		1,414.94	1,358.91
10. Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit and loss:			
Re-measurement gain/(loss) on defined benefit plans	37	(6.01)	(75.28)
(ii) Income tax relating to items that will not be reclassified to profit and loss	22	(8.53)	26.30
Other Comprehensive Income for the year, net of tax		(14.54)	(48.98)
11. Total Comprehensive Income for the year (9+10)		1,400.40	1,309.93
12. Earnings per equity share of ₹10 each:	36		
Basic ₹		75.35	72.36
Diluted ₹		75.17	72.19
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

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

RAJIV CHOUBEY
Company Secretary
ACS: 13063

MARTIN KRIEGER
Director
DIN: 00077715

DAMODARANNAR SUNDARAM
Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Mumbai, February 11, 2021

Statement of Changes in Equity

for the year ended December 31, 2020

A. EQUITY SHARE CAPITAL

	Note No.	₹ Crore
As at January 1, 2019	18	187.99
Issue of equity shares		-
As at December 31, 2019	18	187.99
Issue of equity shares		-
As at December 31, 2020	18	187.99

B. OTHER EQUITY

For the year ended December 31, 2020

	Reserves and surplus (Refer Note – 19)					₹ Crore
	Capital reserve	Securities premium	General reserve	Capital contribution from parent	Retained earnings	Total other equity
As at January 1, 2020	67.81	845.03	2,723.30	0.63	7,696.52	11,333.29
Profit for the year	-	-	-	-	1,414.94	1,414.94
Other Comprehensive Income for the year, net of tax	-	-	-	-	(14.54)	(14.54)
Total comprehensive income for the year	-	-	-	2.66	1,400.40	1,400.40
Employee Share based payments (Refer Note – 53)	-	-	-	-	(262.90)	2.66
Interim dividend paid for 2019 (Refer Note – 52)	-	-	-	-	(262.90)	(262.90)
As at December 31, 2020	67.81	845.03	2,723.30	3.29	8,834.02	12,473.45

Statement of Changes in Equity

for the year ended December 31, 2020

For the year ended December 31, 2019

	Reserves and surplus (Refer Note – 19)					₹ Crore
	Capital reserve	Securities premium	General reserve	Capital contribution from parent	Retained earnings	Total other equity
As at January 1, 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	-	-	-	0.63	1,309.93	1,309.93
Employee Share based payments (Refer Note – 53)	-	-	-	-	-	0.63
Final dividend paid for 2018 (Refer Note – 52)	-	-	-	-	(262.90)	(262.90)
Dividend distribution tax on dividend (Refer Note – 52)	-	-	-	-	(54.04)	(54.04)
As at December 31, 2019	67.81	845.03	2,723.30	0.63	7,696.52	11,333.29

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

MARTIN KRIEGER

Director

DIN: 00077715

SRIDHAR BALAKRISHNAN

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YATIN MALHOTRA

Chief Financial Officer

NEERAJ AKHOURY

Director

DIN: 07419090

RAJIV CHOUBEY

Company Secretary

ACS: 13063

Mumbai, February 11, 2021

Statement of Cash Flow

for the year ended December 31, 2020

Particulars	Note no.	₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		1,687.78	2,031.47
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	635.30	602.97
Exceptional item	2	176.01	-
Expected credit loss on Incentives under Government schemes	35	128.92	-
Loss/(Profit) on sale/write-off of Property, Plant and Equipment (net)	35 & 27	10.96	(24.45)
Gain on termination of leases	27	(2.38)	-
Gain on sale of current financial assets measured at FVTPL	27	(14.82)	(19.53)
Gain on sale of investment in Subsidiary Company	27	(3.94)	-
Dividend income	27	(0.29)	(1.69)
Interest income	27	(182.43)	(265.07)
Finance costs	33	57.04	86.22
Impairment losses on trade receivables (net)	35	37.34	21.51
Reversal for doubtful advances (net)		-	(0.11)
Provision for slow and non-moving Stores & Spare (net)	10	7.96	6.38
Provision no longer required written back	26	(5.80)	(9.48)
Net gain on fair valuation of current financial assets measured at FVTPL	27	(0.12)	(0.47)
Employee share based payments	31	2.66	0.63
Fair Value movement in Derivative Instruments		0.28	-
Unrealised exchange loss (net)		0.34	0.12
Operating profit before working capital changes		2,534.81	2,428.50
Changes in Working Capital:			
Adjustments for Decrease/(Increase) in operating assets:			
Decrease in Inventories	10	232.52	531.23
Decrease in Trade receivable	11	139.56	218.32
(Increase)/Decrease in loans & advances	7 & 14	(23.40)	73.60
Increase in other assets	8, 9, 15 -17	(44.55)	(260.54)
Adjustments for Increase/(Decrease) in operating liabilities:			
Decrease in Trade payables		(49.21)	(442.40)
(Decrease)/Increase in Provisions	21 & 25	(49.31)	5.63
Increase in Other liabilities	23-24	181.55	140.21
Cash generated from operations		2,921.97	2,694.55
Direct tax paid including interest on Income tax – (Net of refunds)		(706.40)	(446.20)
Net Cash flow from operating activities		2,215.57	2,248.35
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loans to subsidiary companies	42	(0.21)	(0.56)
Purchase of Property, Plant and Equipments (Including Capital work-in-progress and Capital Advances)			
Capex for increases in operating capacity		(409.30)	(108.70)
Capex for efficiency improvement and maintaining operating capacity		(336.54)	(431.74)
Proceeds from sale of Property, Plant and Equipment		0.68	46.99
Proceeds from sale of investment in Subsidiary Company		20.00	-
Investment in Equity shares		(4.50)	-
Net proceeds from sale of mutual funds		14.82	19.53
Investment in bank and margin money deposits (having original maturity for more than 12 months)	8	(3.81)	(32.27)

Statement of Cash Flow

for the year ended December 31, 2020

		₹ Crore	
Particulars	Note no.	For the year ended December 31, 2020	For the year ended December 31, 2019
Redemption of bank and margin money deposits (having original maturity for more than 12 months)	8	1.40	-
Investment in bank and margin money deposits (having original maturity for more than 3 months)		(7,238.00)	(2,476.87)
Redemption of bank and margin money deposits (having original maturity for more than 3 months)		7,234.32	2,481.73
Investment in certificate of deposits		(750.00)	(600.00)
Redemption of certificate of deposits		750.00	600.00
Dividend received from Associate/Joint venture	27	0.29	1.69
Interest received		184.26	171.88
Net cash used in investing activities		(536.59)	(328.32)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(39.87)	(57.22)
Payment of Lease Liabilities		(24.59)	-
Dividend paid	52	(262.90)	(262.90)
Dividend Distribution Tax paid	52	-	(54.04)
Net cash used in financing activities		(327.36)	(374.16)
Net increase in cash and cash equivalents		1,351.62	1,545.87
Add: Cash and cash equivalents at the beginning of the year	12	4,383.18	2,836.84
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	27	0.12	0.47
Cash and cash equivalents at the end of the year	12	5,734.92	4,383.18
See accompanying notes to the financial statements			

Notes:

- Cash flow statement has been prepared under the indirect method as set out in Ind AS – 7 on Cash Flow Statements.
- Refer Note 43 for Cash flows arising from the reportable segments.

In terms of our report attached

For and on behalf of the Board of Directors of ACC Limited,

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

N. S. SEKHSARIA

Chairman
DIN: 00276351

MARTIN KRIEGER

Director
DIN: 00077715

SAIRA NAINAR

Partner
Membership No. 040081

SRIDHAR BALAKRISHNAN

Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM

Director
DIN: 00016304

YATIN MALHOTRA

Chief Financial Officer

NEERAJ AKHOURY

Director
DIN: 07419090

RAJIV CHOUBEY

Company Secretary
ACS: 13063

Mumbai, February 11, 2021

Notes to the Financial Statements

for the year ended December 31, 2020

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

ACC Limited ("the Company"), is a public Company domiciled in India and was incorporated on August 1, 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 – 400 020, 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 11, 2021

(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;
- 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) Employee share based payments measured at fair value.

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 except change in accounting policy on Leases as disclosed in Note No. (XXVIII).

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.

Notes to the Financial Statements

for the year ended December 31, 2020

(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

Notes to the Financial Statements

for the year ended December 31, 2020

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 has applied Ind AS 116 with effect from January 01, 2020 and all leases are disclosed under Right of use assets.

Depreciation and amortisation

- a) 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.
- b) 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

- c) 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.
- d) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.
- e) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.
- f) 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.
- g) 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.

Notes to the Financial Statements

for the year ended December 31, 2020

(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.

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

Notes to the Financial Statements

for the year ended December 31, 2020

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 marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Notes to the Financial Statements

for the year ended December 31, 2020

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 through 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

Notes to the Financial Statements

for the year ended December 31, 2020

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

Notes to the Financial Statements

for the year ended December 31, 2020

at amortised cost e.g. loans, debt securities, deposits, bond; and

- b) Trade receivables other receivables (including incentive receivable from Government)

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) 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.

b) Financial liabilities and equity instruments

Classification as debt or equity

An instrument issued by a Company is 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 financial liabilities mainly comprise (a) trade payables, (b) liability for capital expenditure, (c) security deposit, (d) other payables (e) lease liabilities 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

Notes to the Financial Statements

for the year ended December 31, 2020

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 through 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.

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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.

(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

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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. 24. 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

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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

Provident Fund

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 Consolidated 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. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

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.

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

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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 performance share 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

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for the year ended December 31, 2020

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

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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.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

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 utilised. 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

I. Accounting policy effective January 1, 2020

Ind AS 116 "Leases" replaces Ind AS 17 "Leases" and applicable to the Company with effect from January 1, 2020.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset;
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- iii. the Company has the right to direct the use of the asset.

Company as a lessee:

Right of use assets ("ROU")

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right of use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right of use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

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for the year ended December 31, 2020

Right of use assets	Average (Range) lease terms (in years)
Buildings	8
Land	8-99
Machines	6
Furniture and Vehicles	5

The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit or Loss.

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease liabilities (Financial liabilities) and ROU asset have been separately presented in the Balance Sheet and related cash flows are classified as financing activities in the Statement of Cash Flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (in the range of ₹4,00,000 to ₹16,00,000 for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as operating activities in the Statement of Cash Flows.

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is

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classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

II. Accounting policy up to December 31, 2019

In the comparative period, accounting and disclosure for leases was done as per Ind AS 17.

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:

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 organised 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.

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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 the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant/subsidy will be received.
- 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) Exceptional items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

(XXVII) 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.

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Estimates and judgements 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.

Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is

reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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 crystallising 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

Notes to the Financial Statements

for the year ended December 31, 2020

utilisation 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.

(XXVIII) New Accounting Pronouncements

Effective from January 1, 2020, the Company has adopted the following new Standard and amendments to certain Ind AS relevant to the Company:

Ind AS 116: Leases

Changes in Accounting Policy and Disclosures:

The Company has adopted Ind AS 116 effective January 1, 2020, using 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, are recognised at the present value of the remaining lease payments starting January 1, 2020, and discounted using the incremental borrowing rate as at the date of initial application.

Further, the application of Ind AS 116 did not have any significant impact on the financial statements

and EPS for the year ended December 31, 2020. Information regarding the financial impacts of the initial application of Ind AS 116 is outlined in Note No. 38.

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 carried out an assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

There is no material impact on the Company due to the application of the above amendment.

Several other amendments apply for the first time for the year ending December, 31 2020, but do not have an impact on the financial statements of the Company.

(XXIX) Recent Accounting Developments

There is no new standard or amendment to the existing standards which are applicable from January 1, 2021.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 2. PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (V) for accounting policy on Property, Plant and Equipment

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET CARRYING VALUE	
	As at January 1, 2020	Additions	Disposals/ Adjustments	As at December 31, 2020	Depreciation charge for the year	Impairment losses recognised in the year (Refer Note – 3 below)	Disposals/ Adjustments	As at December 31, 2020	As at December 31, 2019
TANGIBLE ASSETS:									
Freehold Non-mining Land	134.40	3.84	-	138.24	-	-	-	138.24	134.40
Freehold Mining Land	340.30	3.62	-	343.92	0.22	-	-	342.66	339.26
Leasehold Land (Refer Note – 4 below)	39.47	-	39.47	-	1.86	-	1.86	-	37.61
Buildings	1,710.83	64.05	9.80	1,765.08	82.63	29.27	7.42	1,372.39	1,422.62
Plant and Equipment	6,684.47	231.05	44.76	6,870.76	476.68	116.75	35.88	4,386.42	4,757.68
Railway Sidings	256.16	16.46	-	272.62	21.72	1.43	-	174.32	181.01
Furniture and Fixtures	28.86	4.88	0.52	33.22	3.11	0.27	0.40	14.73	13.35
Vehicles	88.22	8.44	1.78	94.88	37.90	10.14	0.84	36.89	50.32
Office equipment	65.72	5.67	0.99	70.40	44.69	0.53	0.96	17.26	21.03
TOTAL	9,348.43	338.01	97.32	9,589.12	604.03	158.39	47.36	6,482.91	6,957.28

Notes to the Financial Statements

for the year ended December 31, 2020

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION		NET CARRYING VALUE	
	As at January 1, 2019	Additions	Disposals	As at January 1, 2019	Depreciation charge for the year	As at December 31, 2019	As at December 31, 2018
Tangible Assets:							
Freehold Non-Mining Land	133.62	0.78	-	-	-	134.40	133.62
Freehold Mining Land	306.54	33.76	-	0.77	0.27	339.26	305.77
Leasehold Land	39.47	-	-	1.33	0.53	37.61	38.14
Buildings	1,654.68	64.31	8.16	218.38	77.52	1,422.62	1,436.30
Plant and Equipment	6,289.36	429.33	34.22	1,465.58	477.16	4,757.68	4,823.78
Railway Sidings	251.83	4.33	-	54.17	20.98	181.01	197.66
Furniture and Fixtures	26.50	2.47	0.11	12.49	3.11	13.35	14.01
Vehicles	68.62	19.69	0.09	27.40	10.59	50.32	41.22
Office equipment	58.61	8.51	1.40	36.90	9.06	21.03	21.71
TOTAL	8,829.23	563.18	43.98	1,817.02	599.22	6,957.28	7,012.21

Notes:

- Buildings include cost of shares ₹34,600 (*Previous year – ₹34,600*) in various Co-operative Housing Societies, in respect of 17 (*Previous year – 17*) residential flats.
- 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 (under ROU Assets in current year) amounting to net block of ₹2.04 Crore (*Previous year – ₹2.10 Crore*), 2 cases of freehold land amounting to net block of ₹1.37 Crore (*Previous year – ₹1.37 Crore*) and 2 cases of Buildings amounting to net block of ₹5.39 Crore (*Previous year – ₹5.76 Crore*) respectively as at December 31, 2020 for which title deeds are in the name of the erstwhile Company that merged with the Company.
- Considering lower profitability due to higher input cost, the Company has suspended part of it's operations at Madukkarai plant. The Company has carried out a review of the recoverable amount of the tangible assets and capital work-in-progress used in cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work-in-progress at Madukkarai plant is assessed to be lower than it's carrying amount and consequently an impairment loss of ₹176.01 Crore (including Capital work-in-progress ₹17.62 Crore) has been recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value is 10.64 per cent per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4 per cent per annum is applied beyond the forecast period.
- Upon introduction of Ind AS 116 Leases effective January 1, 2020, all Finance Lease assets identified under the earlier Ind AS 17 Leases, have been reclassified to Right of use assets.
- Capital work-in-progress as at December 31, 2020 is ₹545.30 Crore (*Previous year – ₹435.34 Crore*). Refer Note 48 for the amount of expenditure recognised in the carrying amount of Property, Plant and Equipment/Capital work-in-progress (CWIP) during the course of its construction.
- For contractual commitment with respect to Property, Plant and Equipment, Refer Note – 39.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 3. OTHER INTANGIBLE ASSETS

Refer Note 1 (VI) for accounting policy on Intangible Assets

Particulars	GROSS CARRYING VALUE			ACCUMULATED AMORTISATION			NET CARRYING VALUE	
	As at January 1, 2020	Additions	As at December 31, 2020	As at January 1, 2020	Amortisation charge for the year	Disposals	As at December 31, 2020	As at December 31, 2019
Intangible Assets:								
Computer Software	2.74	1.02	3.76	2.54	0.19	-	1.03	0.20
Mining Rights	46.06	14.59	60.65	12.17	3.71	-	44.77	33.89
TOTAL	48.80	15.61	64.41	14.71	3.90	-	45.80	34.09

Particulars	GROSS CARRYING VALUE			ACCUMULATED AMORTISATION			NET CARRYING VALUE	
	As at January 1, 2019	Additions	As at December 31, 2019	As at January 1, 2019	Amortisation charge for the year	Disposals	As at December 31, 2019	As at December 31, 2018
Intangible Assets:								
Computer Software	2.73	0.01	2.74	1.87	0.67	-	0.20	0.86
Mining Rights	45.45	0.61	46.06	9.09	3.08	-	33.89	36.36
TOTAL	48.18	0.62	48.80	10.96	3.75	-	34.09	37.22

NOTE 4. RIGHT OF USE ASSETS

Refer Note 1 (XXI) for accounting policy on Leases

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 1, 2020*	Reclassified on account of Ind AS 116*	Additions	As at December 31, 2020	As at January 1, 2020	Reclassified on account of Ind AS 116*	Depreciation charge for the year	Disposals	As at December 31, 2020	As at December 31, 2019
Land	69.69	39.47	6.93	111.02	-	1.86	12.95	0.85	13.96	-
Buildings	5.03	-	-	4.95	-	-	1.46	-	1.46	-
Plant and Equipment	56.45	-	1.27	39.35	-	-	12.80	2.51	10.29	-
Vehicles	0.44	-	-	0.44	-	-	0.16	-	0.16	-
TOTAL	131.61	39.47	8.20	155.76	-	1.86	27.37	3.36	129.89	-

* Refer Note 38 on adoption of Ind AS 116 'Leases'.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 5. 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, 2020		As at December 31, 2019	
	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				
Lucky Minmat Limited (100% shareholding) {Refer Note – 45(i)}	3,25,000	38.10	3,25,000	38.10
ACC Mineral Resources Limited (100% shareholding) {Refer Note – 45(ii)}	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) (Refer Note – 54)	-	-	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) {Refer Note – 45(iii)}	25,01,000	2.50	25,01,000	2.50
TOTAL		212.43		226.45

- Notes:** (I) Aggregate amount of unquoted Investments. 212.43 226.45
- (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, 2020

NOTE 6. NON-CURRENT – INVESTMENTS

Refer Note 1 (X) for accounting policy on Investments

	As at December 31, 2020		As at December 31, 2019	
	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				
Amplus Green Power Private Limited (Refer Note – II below)	25,78,592	4.50	-	-
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 amortised cost		4.50		-
Investment in Unquoted bonds				
Face value ₹10,00,000 each fully paid				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
TOTAL		8.20		3.70

- Notes:** (i) Aggregate value of unquoted investments. 8.20 3.70
- (ii) During the year, the Company has subscribed 25,78,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹4.50 Crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Tikaria plant would be one of the consumers.
- (iii) *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.

NOTE 7. NON-CURRENT LOANS

Considered good – unsecured

Refer Note 1 (X) for accounting policy on Loans

	As at December 31, 2020	₹ Crore As at December 31, 2019
Security deposits	121.76	126.68
Loans to Employees	7.59	9.24
TOTAL	129.35	135.92

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 50 for information about credit risk and market risk of loans.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 8. OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments

	As at December 31, 2020	As at December 31, 2019
Incentives under Government schemes (Net) {Refer Note - 50(i)}	606.56	573.18
Bank deposits with more than 12 months maturity*	30.84	29.06
Margin money deposit with more than 12 months maturity**	8.25	7.62
TOTAL	645.65	609.86

*Lodged as security with government authorities of ₹30.58 Crore (Previous year – ₹28.80 Crore).

**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 9. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	As at December 31, 2020	As at December 31, 2019
Capital Advances	348.56	94.60
Advance other than Capital Advances		
Claim receivables from Government and Others	14.24	14.18
Unsecured, considered good	4.21	4.21
Considered doubtful	(4.21)	(4.21)
Less: Allowance for doubtful deposits	14.24	14.18
Deposits with Government Bodies and Others		
Unsecured, considered good	291.06	290.37
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	291.06	290.37
TOTAL	653.86	399.15

NOTE 10. INVENTORIES

At lower of cost and net realisable value

Refer Note 1 (IX) for accounting policy on Inventories

	As at December 31, 2020	As at December 31, 2019
Raw Materials	115.54	117.44
{Including goods-in-transit ₹2.70 Crore (Previous year – ₹4.09 Crore)}		
Work-in-progress	147.84	177.61
Finished Goods	111.74	230.96
Stock-in-trade	14.48	7.90
{Including goods-in-transit ₹4.37 Crore (Previous year – ₹0.49 Crore)}		
Stores and Spares	248.94	310.85
{Including goods-in-transit ₹13.99 Crore (Previous year – ₹14.74 Crore)}		
Packing Materials	24.07	20.65
Fuels	237.86	275.54
{Including goods-in-transit ₹10.69 Crore (Previous year – ₹11.53 Crore)}		
TOTAL	900.47	1,140.95

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 ₹7.96 Crore (Previous year – ₹6.38 Crore). There has been no reversal of such write down in current and previous year.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 11. TRADE RECEIVABLES

Refer Note 1 (X) for accounting policy on Trade receivables

	As at December 31, 2020	As at December 31, 2019
Considered good – Secured	35.95	43.35
Considered good – Unsecured*	415.58	585.08
Receivables which have significant increase in credit risk {Refer Note 50(i)}	67.29	41.13
	518.82	669.56
Less: Allowance for doubtful receivables	(67.29)	(41.13)
TOTAL	451.53	628.43

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 42 for receivables from related parties.

Refer Note 50 for information about credit risk of trade receivables.

NOTE 12. CASH AND CASH EQUIVALENTS

Refer Note 1 (XXIII) for accounting policy on Cash and Cash Equivalents

	As at December 31, 2020	As at December 31, 2019
Balances with banks:		
In current accounts	139.92	28.01
Deposits with original maturity of less than three months	4,764.90	2,100.00
	4,904.82	2,128.01
Cheques on hand*	-	36.71
Deposit with other than banks with original maturity of less than three months	250.00	250.00
Post office saving accounts	0.01	0.01
	5,154.83	2,414.73
Investments in liquid mutual funds measured at FVTPL	580.09	725.47
Certificates of deposit with original maturity of less than three months	-	1,242.98
TOTAL	5,734.92	4,383.18

*Cheques on hand are cleared subsequent to the year end.

As at December 31, 2020, the Company has sanctioned and available undrawn borrowing facilities of ₹130.80 Crore (Previous year – ₹145.00 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.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Refer Note 1 (X) for accounting policy on Bank balances other than Cash and Cash Equivalents

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	127.68	121.56
**Margin money deposits with original maturity for more than 3 months but less than 12 months	-	2.44
#On unpaid dividend accounts	28.49	30.92
TOTAL	156.17	154.92

*Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) of ₹127.68 Crore {(Previous year – ₹121.56 Crore) - Refer Note – 40 (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

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Security deposits	53.12	23.48
Loans and advances to related parties (Refer Note – 42)	0.82	2.41
Loans to Employees	5.86	5.54
TOTAL	59.80	31.43

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 50 for information about credit risk and market risk of loans.

NOTE 15. OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Incentives under Government schemes	256.58	258.95
Interest Accrued on Investments	8.08	10.18
Other Accrued Interest	1.61	1.38
TOTAL	266.27	270.51

Refer Note 50 for information about credit risk and market risk of other financial assets.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 16. OTHER CURRENT ASSETS

Unsecured, Considered Good

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Advances other than capital advances		
Advance to suppliers	259.27	437.39
Prepaid expenses	54.94	42.04
Other receivables		
Balances with statutory/government authorities	357.52	280.59
Others	15.44	43.39
TOTAL	687.17	803.41

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

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Plant and equipment	1.76	5.36
Building	1.15	5.11
TOTAL	2.91	10.47

- (i) The Company intends to dispose off plant and equipment and Building in the next 12 months which it no longer intends to utilise. A selection of potential buyers is underway.
- (ii) During the year, the Company has reclassified buildings of ₹3.96 Crore and plant and equipments of ₹3.01 Crore.

NOTE 18. EQUITY SHARE CAPITAL

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
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

Notes to the Financial Statements

for the year ended December 31, 2020

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 1, 2019	18,77,87,263	187.79
Increase/(decrease) during the year	-	-
As at December 31, 2019	18,77,87,263	187.79
Increase/(decrease) during the year	-	-
As at December 31, 2020	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, 2020	As at December 31, 2019
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	8.41	8.41
84,11,000 (Previous year – 84,11,000) equity shares ₹10 each fully paid		

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, 2020		As at December 31, 2019	
	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	95,03,365	5.06	1,06,79,857	5.69

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 Financial Statements

for the year ended December 31, 2020

NOTE 19. OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

	As at December 31, 2020	As at December 31, 2019
Capital Reserve	67.81	67.81
Securities Premium	845.03	845.03
General Reserve	2,723.30	2,723.30
Capital contribution from parent	3.29	0.63
Retained earnings	8,834.02	7,696.52
TOTAL	12,473.45	11,333.29

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.

NOTE 20. NON-CURRENT FINANCIAL LIABILITY

Refer Note 1 (XXI) for accounting policy on Leases

	As at December 31, 2020	As at December 31, 2019
Lease liabilities (Refer Note – 38)	83.98	-
	83.98	-

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 21. NON-CURRENT PROVISIONS

Refer Note 1 (XVII) for accounting policy on Employee benefits

Refer Note 1 (XIV) for accounting policy on Site restoration provisions

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 37)	102.35	141.92
Provision for provident fund (Refer Note – 37)	66.31	55.25
Provision for long service award	5.77	4.49
Other Provisions		
Provision for Site Restoration (Refer Note – 21.1 below)	39.14	32.47
TOTAL	213.57	234.13

Note 21.1 – 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:

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Opening Balance	32.47	32.31
Provision/(reversal) during the year (net)	5.24	(1.36)
Utilised during the year	(0.03)	(0.35)
Unwinding of discount and changes in the discount rate	1.46	1.87
Closing Balance	39.14	32.47

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 Financial Statements

for the year ended December 31, 2020

NOTE 22. 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, 2020:

	For the quarter ended March 31, 2020		For the nine months ended December 31, 2020		For the year ended December 31, 2020		For the year ended December 31, 2019	
	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %
Profit before tax								
At India's statutory income tax rate (Refer Note (a) below)	472.83	34.94%	1,214.95	25.17%	1,687.78	27.91%	2,031.47	34.94%
Effect of Allowances for tax purpose								
Tax Holiday claim under Section 80-IA (Up to March 31, 2020)	(15.73)	(3.34%)	-	-	(15.73)	(0.94%)	(60.07)	(2.96%)
Inter corporate dividends Section 80M	-	-	(0.07)	(0.01%)	(0.07)	(0.01%)	-	-
Effect of Non-Deductible expenses								
Corporate social responsibility expenses	2.39	0.51%	6.41	0.54%	8.80	0.52%	8.76	0.44%
Others	1.02	0.22%	0.30	0.02%	1.32	0.08%	14.66	0.72%
Effect of Tax Exempt Income – Dividend	-	-	-	-	-	-	(0.59)	(0.03%)
At the effective income tax rate	(12.32)	(2.61%)	6.64	0.55%	(5.68)	(0.35%)	(37.24)	(1.83%)
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	152.89	32.33%	312.44	25.72%	465.33	27.56%	672.56	33.11%
Effect of change in tax rate on deferred tax for the period January 01 to March 31, 2020	-	-	(189.61)	(15.61%)	(189.61)	(11.23%)	-	-
Income tax expense reported in the statement of profit and loss	-	-	(2.88)	(0.24%)	(2.88)	(0.17%)	-	-
	152.89	32.33%	119.95	9.87%	272.84	16.16%	672.56	33.11%

Notes:

- The Company follows calendar year as financial year, therefore applicable statutory income tax rate is weighted average rate. 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.
- The Government of India has inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening net deferred tax liability as on January 1, 2020 amounting to ₹179.57 Crore has been reversed (net of reversal of deferred tax assets of ₹10.04 Crore in Other Comprehensive Income) during the year ended December 31, 2020.

Notes to the Financial Statements

for the year ended December 31, 2020

Deferred tax:

Deferred tax relates to the following:

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Deferred Tax Liabilities:		
Depreciation and amortisation differences	622.74	933.33
	622.74	933.33
Deferred Tax Assets:		
Provision for employee benefits	48.25	73.68
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	70.69	98.71
Allowance for obsolescence of Stores and Spares	7.12	9.88
Allowance for doubtful receivables and other assets	19.20	17.51
Right of use assets and lease liabilities differences	3.03	-
Expected credit loss on incentives receivable from government	32.45	-
Other temporary differences	65.80	91.34
	246.54	291.12
Net deferred tax liabilities	376.20	642.21

The major components of deferred tax liabilities/assets arising on account of timing differences are as follows:

	Net Balance as on January 1, 2020	Recognised in statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2020
₹ Crore					
Deferred Tax Liabilities:					
Depreciation and amortisation differences	933.33	(310.59)	-	-	622.74
	933.33	(310.59)	-	-	622.74
Deferred Tax Assets:					
Provision for employee benefits	73.68	(16.90)	(8.53)	-	48.25
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	98.71	(28.02)	-	-	70.69
Allowance for obsolescence of Stores and Spares	9.88	(2.76)	-	-	7.12
Allowance for doubtful receivables and other assets	17.51	1.69	-	-	19.20
Right of use assets and lease liabilities differences	-	3.03	-	-	3.03
Expected credit loss on incentives receivable from government	-	32.45	-	-	32.45
Other temporary differences	91.34	(25.54)	-	-	65.80
	291.12	(36.05)	(8.53)	-	246.54
Net deferred tax liabilities	642.21	(274.54)	8.53	-	376.20

Notes to the Financial Statements

for the year ended December 31, 2020

	₹ Crore			
	Net Balance as on January 1, 2019	Recognised in statement of Profit and Loss	Recognised in OCI	MAT Credit utilised
Deferred Tax Liabilities:				
Depreciation and amortisation differences	895.13	38.20	-	-
	895.13	38.20	-	-
Deferred Tax Assets:				
MAT Credit Entitlement	22.67	-	-	(22.67)
Provision for employee benefits	47.37	0.01	26.30	-
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	103.77	(5.06)	-	-
Allowance for obsolescence of Stores and Spares	9.88	-	-	-
Allowance for doubtful receivables and other assets	11.79	5.72	-	-
Other temporary differences	36.56	54.78	-	-
	232.04	55.45	26.30	(22.67)
Net deferred tax liabilities	663.09	(17.25)	(26.30)	22.67

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 23. OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (X) for accounting policy on Financial Instruments

	₹ Crore	
	As at December 31, 2020	As at December 31, 2019
Financial Liabilities at amortised cost		
Interest accrued	13.89	26.50
Unpaid dividends*	28.49	30.92
Security deposits and retention money	801.26	710.54
Liability for capital expenditure	34.87	52.17
Lease liabilities	18.50	-
Provision for employees	128.55	113.83
Financial Liabilities at fair value		
Foreign currency forward contract	0.28	-
TOTAL	1,025.84	933.96

*Investor Education and Protection Fund ('IEPF') - As at December 31, 2020, 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.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 24. OTHER CURRENT LIABILITIES

	As at December 31, 2020	₹ Crore As at December 31, 2019
Contract Liability *		
Advance from customers	148.18	156.80
Other Liability		
Statutory dues payable	575.14	551.42
Rebates to customers	521.56	497.00
Other payables (including interest on income tax, etc.)	748.22	708.58
TOTAL	1,993.10	1,913.80

*The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2020.

NOTE 25. CURRENT PROVISIONS

Refer Note 1 (XVII) for accounting policy on Employee benefits

	As at December 31, 2020	₹ Crore As at December 31, 2019
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 37)	7.49	10.21
Provision for compensated absences	7.48	12.32
Provision for long service award	0.90	0.86
TOTAL	15.87	23.39

NOTE 26. REVENUE FROM OPERATIONS

Refer Note 1 (XVI) for accounting policy on Revenue recognition

	For the year ended December 31, 2020	₹ Crore For the year ended December 31, 2019
Revenue from contracts with customers		
Sale of Manufactured products	12,676.52	14,895.73
Sale of Traded products	806.96	443.48
Income from services rendered	3.35	3.90
	13,486.83	15,343.11
Other Operating Revenue		
Provision no longer required written back	5.80	9.48
Scrap Sales	23.21	29.76
Government grants*	159.94	174.69
Miscellaneous Income (including insurance claim, other services, etc.)	108.76	99.61
Total	13,784.54	15,656.65

*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, 2020

Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue as per Contract price	15,263.40	17,291.36
Less: Discounts and incentives	(1,776.57)	(1,948.25)
Revenue as per Statement of Profit and Loss	13,486.83	15,343.11

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 43 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 27. OTHER INCOME

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest income using the effective interest rate method		
Interest on bank deposits	177.15	157.94
Interest on Income Tax **	-	99.48
Other interest income	5.28	7.65
	182.43	265.07
Dividend from non-current investments from associate/joint venture	0.29	1.69
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	14.82	19.53
Net gain on fair valuation of current financial assets measured at FVTPL*	0.12	0.47
Gain on sale of investment in Subsidiary Company (Refer Note – 54)	3.94	-
Gain on termination of leases	2.38	-
Net gain on disposal of Property, Plant and Equipment	-	24.45
TOTAL	203.98	311.21

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

** During the previous year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Company recognised interest income on income tax refund and reversal of provision for interest expense on income tax, aggregating ₹276.66 Crore. The Company has made a provision of ₹177.18 Crore for matters other than excise incentive in view of uncertainties over tax treatments and considered as probable, resulting in recognition of net income of ₹99.48 Crore.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 28. COST OF MATERIALS CONSUMED

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Inventories at the beginning of the year	117.44	185.73
Add: Purchases	1,671.19	2,189.81
	1,788.63	2,375.54
Less: Inventories at the end of the year	115.54	117.44
TOTAL	1,673.09	2,258.10

Details of cost of materials consumed

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Slag	262.08	334.75
Gypsum	258.24	358.69
Fly Ash	332.03	415.45
Cement for Ready Mix Concrete	109.84	172.50
Aggregates	170.75	252.05
Others*	540.15	724.66
TOTAL	1,673.09	2,258.10

*includes no item which in value individually accounts for 10 percent or more of the total value of cost of materials consumed.

NOTE 29. PURCHASES OF STOCK-IN-TRADE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Cement	690.26	360.24
Ready Mix Concrete	1.88	1.45
Other Products	4.75	-
TOTAL	696.89	361.69

NOTE 30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Inventories at the end of the year		
Stock-in-trade	14.48	7.90
Finished Goods	111.74	230.96
Work-in-progress	147.84	177.61
	274.06	416.47
Inventories at the beginning 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
	142.41	100.81

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 31. EMPLOYEE BENEFITS EXPENSE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Salaries and Wages* (Refer Note – 48)	738.31	756.61
Contributions to Provident and other Funds	63.43	59.00
Employee share based payments (Refer Note – 53)	2.66	0.63
Staff welfare expenses	34.67	47.73
TOTAL	839.07	863.97

*Salaries and Wages expense for the year ended December 31, 2020 include ₹20.52 Crore (Previous year – Nil) on account of charge for Employee Separation Scheme.

NOTE 32. FREIGHT AND FORWARDING EXPENSE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
On Clinker transfer	489.83	495.82
On finished and Semifinished products	2,941.98	3,554.24
TOTAL	3,431.81	4,050.06

NOTE 33. FINANCE COSTS

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest		
- On Income tax	4.76	16.90
- On Defined benefit obligation (net) – (Refer Note – 37)	13.76	7.91
- Interest on deposits from dealers	17.14	33.45
- Interest on litigation matters	0.56	17.73
- Interest on Lease Liabilities*	9.80	-
- Others	9.56	8.36
Unwinding of discount on site restoration provision (Refer Note – 21.1)	1.46	1.87
TOTAL	57.04	86.22

* Subsequent to introduction of Ind AS 116 Leases, the Company has recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

NOTE 34. DEPRECIATION AND AMORTISATION EXPENSE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation on Property, Plant and Equipment	604.03	599.22
Amortisation of intangible assets	3.90	3.75
Depreciation on Right of use assets	27.37	-
TOTAL	635.30	602.97

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 35. OTHER EXPENSES

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Consumption of stores and spare parts	224.77	325.82
Consumption of packing materials	386.26	458.13
Rent*	75.59	130.61
Rates and taxes (Refer Note – 48)	76.94	139.32
Repairs	126.25	149.06
Insurance	25.51	20.34
Royalties on minerals	240.05	276.83
Advertisement	56.58	111.60
Technology and Know-how fees	132.79	152.33
Expected credit loss on Incentives under Government schemes {Refer Note – 50(i)}	128.92	-
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note – 50(i))}	37.34	21.51
Corporate Social Responsibility expense (Refer Note 2 below)	32.33	25.07
Miscellaneous expenses (Refer Note – 48 and 1 below)	534.43	672.93
TOTAL	2,077.76	2,483.55

* Includes impact of Ind AS 116 - Leases (Refer Note - 38)

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 Loss on sale/write-off of Property, Plant and Equipment (net) of ₹10.96 Crore (Previous year – ₹ Nil).
- (iv) Miscellaneous expenses includes net loss of ₹1.74 Crore (Previous year – ₹4.46 Crore) on foreign currency transaction and translation.
- (v) Miscellaneous expenses includes net Loss of ₹0.59 Crore (Previous year net gain – ₹0.94 Crore) on foreign currency forward contract.
- (vi) Payments to Statutory Auditors (excluding applicable taxes).

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
As auditors		
Audit fees	1.68	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	0.01
Reimbursement of expenses	0.02	0.04
	3.21	3.33

2. Details of Corporate Social Responsibility expenses:

The Company has spent ₹32.33 Crore (Previous year – ₹25.07 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 ₹31.52 Crore (Previous year – ₹23.90 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, 2020

NOTE 36. 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, 2020	For the year ended December 31, 2019
Profit attributable to equity shareholders (as per Statement of Profit and Loss)	1,414.94	1,358.91
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	4,55,369	4,57,816
(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	18,82,42,632	18,82,45,079
Earnings Per Share		
Face value per Share	₹ 10.00	10.00
Basic	₹ 75.35	72.36
Diluted	₹ 75.17	72.19

NOTE 37: EMPLOYEE BENEFITS

Refer Note 1 (XVII) for accounting policy on Employee benefits

- a) **Defined Contribution Plans** – Amount recognised and included in Note 31 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹15.97 Crore (*Previous year – ₹16.60 Crore*).
- b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2020.

The Company has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan.

- 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 1, 2005 and separates from service of the Company on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non-funded.
This plan is discontinued with effect from April 30, 2020 for all the eligible employees of management category and benefits accrued is disbursed to the employees.
- iii. Post Employment Medical Benefit plans – This plan is discontinued with effect from July 1, 2020
- iv. Refer Note – (c) for Provident fund scheme.

Notes to the Financial Statements

for the year ended December 31, 2020

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.

Defined Benefit Plans as per Actuarial valuation on December 31, 2020

			₹ Crore	
Particulars	Gratuity		Post employment medical benefits (PEMB)	
	(Including additional gratuity)			
	Funded	Non-funded		
I. Expense recognised in the Statement of Profit and Loss – for the year ended December 31, 2020				
Components recognised in the Statement of Profit and Loss				
1	Current service cost	15.16	8.84	-
		13.39	9.07	(0.20)
2	Net Interest cost	2.01	7.39	0.60
		(0.15)	7.33	0.73
3	Loss on Curtailments	-	1.48	-
		-	-	-
4	(Gain) on settlements	-	-	(9.31)
		-	-	-
5	Net benefit expense	17.17	17.71	(8.71)
		13.24	16.40	0.53

₹ Crore

Notes to the Financial Statements

for the year ended December 31, 2020

Particulars		₹ Crore		
		Gratuity		Post employment medical benefits (PEMB)
		(Including additional gratuity)		
		Funded	Non-funded	
Components recognised in other comprehensive income (OCI)				
6	Actuarial (gains)/losses arising from change in financial assumptions	7.86	4.58	-
		8.85	5.99	0.64
7	Actuarial (gains)/losses arising from change in experience adjustments	(0.01)	(6.04)	(0.43)
		9.01	2.59	(1.27)
8	Actuarial (gains)/losses arising from change in demographic assumptions	(0.29)	-	-
		(0.01)	-	-
9	(Gain)/Loss on plan assets (Excluding amount included in net interest expenses)	(4.12)	-	-
		(5.73)	-	-
10	Sub-total – Included in OCI	3.44	(1.46)	(0.43)
		12.12	8.58	(0.63)
11	Total expense (5 + 10)	20.61	16.25	(9.14)
		25.36	24.98	(0.10)
II. Amount recognised in Balance Sheet				
1	Present value of Defined Benefit Obligation	(221.90)	(102.23)	-
		(203.75)	(113.35)	(9.16)
2	Fair value of plan assets	214.29	-	-
		174.13	-	-
3	Funded status {Surplus/(Deficit)}	(7.61)	(102.23)	-
		(29.62)	(113.35)	(9.16)
4	Net asset/(liability) as at December 31, 2020	(7.61)	(102.23)	-
		(29.62)	(113.35)	(9.16)
III. Present value of Defined Benefit Obligation				
1	Present value of Defined Benefit Obligation at beginning of the year	203.75	113.35	9.16
		181.90	102.89	10.18
2	Current service cost	15.16	8.84	-
		13.39	9.07	(0.20)
3	Interest cost	13.05	7.39	0.60
		12.77	7.33	0.73
4	Loss on Curtailments	-	1.48	-
		-	-	-
5	(Gain) on settlements	-	-	(9.31)
		-	-	-
5	Actuarial (gains)/losses arising from changes in financial assumptions	7.86	4.58	-
		8.85	5.99	0.64
6	Actuarial (gains)/losses arising from experience adjustments	(0.01)	(6.04)	(0.43)
		9.01	2.59	(1.27)
7	Actuarial (gains)/losses arising from change in demographic assumptions	(0.29)	-	-
		(0.01)	-	-
8	Benefits Payments	(17.62)	(27.37)	(0.02)
		(22.16)	(14.52)	(0.92)
9	Present value of Defined Benefit Obligation at the end of the year	221.90	102.23	-
		203.75	113.35	9.16

Notes to the Financial Statements

for the year ended December 31, 2020

			₹ Crore	
Particulars		Gratuity		Post employment medical benefits (PEMB)
		(Including additional gratuity)		
		Funded	Non-funded	
IV. Fair value of Plan Assets				
1	Plan assets at the beginning of the year	174.13	-	-
		173.45	-	-
2	Interest income	11.04	-	-
		12.92	-	-
3	Contributions by Employer	25.00	-	-
		0.80	-	-
4	Actual benefits paid	-	-	-
		(18.77)	-	-
5	Actuarial gains/(losses) arising from changes in financial assumptions	4.12	-	-
		5.73	-	-
6	Plan assets at the end of the year	214.29	-	-
		174.13	-	-
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, 2020

		₹ Crore	
Particulars	Gratuity – Funded		PEMB
	Increase	Decrease	
Discount rate (1% movement)	(14.58)	17.07	-
Future salary growth (1% movement)	16.39	(14.54)	-
Medical inflation increase rate (1% movement)	-	-	-

Sensitivity Analysis as at December 31, 2019

		₹ Crore	
Particulars	Gratuity – Funded		PEMB
	Increase	Decrease	
Discount rate (1% movement)	(13.26)	15.13	(0.70)
Future salary growth (1% movement)	14.95	(13.35)	-
Medical inflation increase rate (1% movement)	-	-	0.32

Notes to the Financial Statements

for the year ended December 31, 2020

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, 2020	As at December 31, 2019
Debt instruments		
Government securities	63%	60%
Debentures and bonds	32%	33%
Equity shares	3%	4%
Cash and cash equivalents		
Fixed deposits	2%	3%
	100%	100%

VIII. Actuarial Assumptions

	As at December 31, 2020	As at December 31, 2019
a) Financial Assumptions		
1 Discount rate	6.25%	6.80%
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 (2012-14) (Modified) Ultimate
5 Mortality post-retirement	NA	Mortality for annuitants LIC (1996-98) Ultimate
6 Medical premium inflation	NA	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.

Notes to the Financial Statements

for the year ended December 31, 2020

e) Expected cash flows:

Particulars	Funded Gratuity		Unfunded Gratuity		PEMB	
	As at	As at	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
1. Expected employer contribution in the next year	-	-	-	-	-	-
2. Expected benefit payments						
Year 1	27.60	23.54	7.49	9.43	-	0.96
Year 2	27.86	22.98	9.03	9.85	-	0.98
Year 3	24.56	24.87	9.50	10.69	-	1.00
Year 4	24.87	22.45	9.02	11.88	-	1.03
Year 5	21.52	22.79	10.40	10.90	-	1.02
Next 5 years	78.30	77.87	39.90	47.33	-	4.85
Total expected payments	204.71	194.50	85.34	100.08	-	9.84

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 ₹17.14 Crore (*Previous year – ₹17.87 Crore*). Following are the actuarial assumptions used for valuation of Other Long-term employee benefits.

Actuarial Assumptions:		As at December 31, 2020	As at December 31, 2019
a)	Financial Assumptions		
1	Discount rate	6.25%	6.80%
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 (2012-14) (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.

Notes to the Financial Statements

for the year ended December 31, 2020

Defined benefit plans as per actuarial valuation on December 31, 2020

		₹ Crore	
Particulars		For the year ended December 31, 2020	For the year ended December 31, 2019
I. Components of expense recognised in the Statement of Profit and Loss			
1 Current service cost		27.15	25.64
2 Current Interest cost		3.76	-
3 Net benefit expense		30.91	25.64
Components recognised in other comprehensive income (OCI)			
4 Actuarial (gains)/losses arising from changes in financial assumptions on Liability		(0.93)	12.72
5 Actuarial (gains)/losses arising from changes in financial assumptions on Plan Assets		5.39	42.49
6 Sub-total – Included in OCI		4.46	55.21
7 Total expense (3 + 6)		35.37	80.85
II. Amount recognised in Balance Sheet			
1 Present value of Defined Benefit Obligation		(848.58)	(820.64)
2 Fair value of plan assets		782.27	765.39
3 Funded status {Surplus/(Deficit)}		(66.31)	(55.25)
4 Net asset/(liability) as at end of the year *		(66.31)	(55.25)
III. Present Value of Defined Benefit Obligation			
1 Present value of Defined Benefit Obligation at beginning of the year		820.64	729.68
2 Current service cost		27.15	25.64
3 Interest cost		70.88	62.66
4 Employee Contributions		73.92	63.32
5 Actuarial (gains)/losses arising from changes in financial assumptions		15.38	-
6 Actuarial (gains)/losses arising from experience adjustments		(16.31)	12.72
7 Benefits Payments		(154.74)	(82.35)
8 Increase/(Decrease) due to effect of any transfers		11.66	8.97
9 Present value of Defined Benefit Obligation at the end of the year		848.58	820.64
IV. Fair Value of Plan Assets			
1 Plan assets at the beginning of the year		765.39	729.65
2 Interest income		67.12	62.66
3 Contributions by Employer		24.31	25.64
4 Contributions by Employee		73.92	63.32
5 Actual benefits paid		(154.74)	(82.35)
6 Net transfer in/(out)		11.66	8.97
7 Actuarial gains/(losses) arising from changes in financial assumptions		(5.39)	(42.50)
8 Plan assets at the end of the year		782.27	765.39
V. Weighted Average duration of Defined Benefit Obligation		10 years	10 years

* 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 previous 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.

Notes to the Financial Statements

for the year ended December 31, 2020

VI. The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2020	As at December 31, 2019
Debt instruments		
Government securities	57%	29%
Debentures and bonds	9%	68%
Equity instruments	12%	3%
Cash and Cash equivalent	22%	-
	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, 2020	As at December 31, 2019
Discounting rate	6.25%	6.80%
Guaranteed interest rate	8.50%	8.65%
Yield on assets based on the Purchase price and outstanding term of maturity	8.10%	8.60%

VIII. Sensitivity analysis for factors mentioned in Actuarial Assumptions

Particulars	As at December 31, 2020		As at December 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.45)	5.30	(2.43)	1.45
Interest rate guarantee (1% movement)	56.54	(29.37)	42.20	(19.18)

₹ Crore

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 ₹25.00 Crore (Previous year – ₹27.00 Crore) to trust managed Provident Fund in the next year.

NOTE 38. LEASES

Refer Note 1 (XXI) for accounting policy on Leases

(i) Transition Disclosures for Ind AS 116

The Company has adopted Ind AS 116 effective January 1, 2020, using 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, are recognised at the present value of the remaining lease payments starting January 1, 2020, and discounted with the incremental borrowing rate as of that date. Furthermore, the Company has chosen the option whereby the right-of-use asset is equal to the lease liability at the initial application of Ind AS 116.

Notes to the Financial Statements

for the year ended December 31, 2020

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
 2. Excluded the initial direct costs from the measurement of the Right of use assets (ROU) at the date of initial application.
 3. The Company has relied on its previous assessment on whether leases are onerous. There were no onerous contracts as at January 1, 2020.
 4. The Company has not re-assessed whether a contract is or contains a lease at the date of initial application. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- (II) The weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of January 1, 2020 is based on the Company's Portfolio of leases and equals 8.50 percent.
- (III) Reconciliation of undiscounted operating lease commitments as of December 31, 2019 to the recognised lease liability as of January 1, 2020

	₹ Crore
Operating lease commitments as of December 31, 2019	174.61
Exemption of commitments for short-term leases	(5.98)
Exemption of commitments for leases of low value assets	(0.04)
Undiscounted future lease payments from operating leases	168.59
Effect of discounting	(36.98)
Lease liabilities as of January 1, 2020	131.61

The Company recognised ROU asserts for the following assets categories:

	₹ Crore		
Right of Use Assets Category	Cement	Ready Mix Concrete	Total
Leasehold Land	0.03	69.66	69.69
Buildings	4.89	0.14	5.03
Plant and Equipment	-	56.45	56.45
Vehicles	0.44	-	0.44
Total	5.36	126.25	131.61

(IV) The effect of implementing Standard in the Statement of Profit and Loss is as under:

- (a) Other expenses are lower by ₹32.05 Crore.
 - (b) Depreciation and Amortisation expenses is higher by ₹26.83 Crore.
 - (c) Finance costs are higher by ₹9.80 Crore.
- (V) The Company has entered into long-term leasing arrangements for land which are 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. The Company has reclassified these assets from Property, Plant and Equipment to Right of use assets pursuant to adoption of Ind AS 116.

	₹ Crore		
	As at January 1, 2020		
Particulars	Gross Carrying Value	Accumulated depreciation	Net Carrying Value
Leasehold Land	39.47	1.86	37.61

Notes to the Financial Statements

for the year ended December 31, 2020

Disclosure for the year ended December 31, 2020 as per Ind AS 116:

Company as lessee

The Company's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, plant and equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

(VI) The operating cash flows for the year ended December 31, 2020 has increased by ₹24.59 Crore and the financing cash flows have decreased by ₹24.59 Crore as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

(VII) As at December 31, 2020, commitments for leases not yet commenced is ₹37.80 Crore towards leasehold land for a lease term of 30 years.

(VIII) The movement in lease liabilities during the year ended December 31, 2020 is as follows:

	₹ Crore As at December 31, 2020
Balance at the January 1, 2020	131.61
Additions During the Year	8.20
Finance cost accrued during the year	9.80
Lease modification	(7.46)
Payment of lease liabilities	(24.59)
Termination of Lease contracts	(15.08)
Balance at December 31, 2020	102.48
Current lease liabilities	18.50
Non-current lease liabilities	83.98

(IX) The maturity analysis of lease liabilities are disclosed in Note 50 (ii) – Liquidity risk

(X) Lease Expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:

	₹ Crore For the year ended December 31, 2020
Particulars	
Expense relating to short-term leases	48.98
Expense relating to leases low- value assets	0.04
Expense in respect of variable lease payments	28.40
	77.42

Operating Lease Disclosures under earlier Ind AS 17

Refer Note 1 (XXI) for accounting policy on Leases

Operating lease commitments — Company as lessee

Operating lease payment of ₹133.28 Crore recognised in the Statement of Profit and Loss for the year ended December 31, 2019.

Notes to the Financial Statements

for the year ended December 31, 2020

Future minimum rental payables under non-cancellable operating leases are as follows:

	₹ Crore
	As at December 31, 2019
(i) Not later than one year	35.00
(ii) Later than one year and not later than five years	98.81
(iii) Later than five years	40.80
	174.61

NOTE 39: CAPITAL AND OTHER COMMITMENTS

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

	₹ Crore
	As at December 31, 2020
A) Estimated value of contracts on capital account remaining to be executed (Net of advance)	1,071.07
B) For commitments relating to lease arrangements, Refer Note – 38	

NOTE 40: 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, 2020
Competition Act, 2002	CCI matter – Refer Notes a & b below	1,749.85
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts Refer Note e below	604.44
Service Tax – The Finance Act, 1994	Refer Note c below	90.53
Claims for mining lease rent	Refer Note d below	212.22
Sales Tax Act/Commercial Tax Act of various states	Packing Material – Differential rate of tax. Matters pending with various authorities.	20.52
	Other Sales tax matters	9.65
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
Other Statutes/Other Claims	Claims by suppliers regarding supply of raw material	28.80
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court.	9.80

Notes to the Financial Statements

for the year ended December 31, 2020

Nature of Statute	Brief Description of Contingent Liabilities	₹ Crore	
		As at December 31, 2020	As at December 31, 2019
	Various other cases pertaining to claims related to Railways, labour laws, etc.	10.05	7.08
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		2,774.76	2,634.79

In respect of above matters, future cash outflows are determinable only on receipt of judgements 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 Section 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, 2020 is ₹566.94 Crore (Previous year – ₹436.48 Crore). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgement dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgement of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 5, 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.

Notes to the Financial Statements

for the year ended December 31, 2020

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 1, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s Ultratech Cement (Chhattisgarh 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 1, 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 Central Board of Indirect Taxes and Customs (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 group Writ Petitions of other cement manufacturers viz Dalmia Cements, Madras Cements and others has passed a judgement 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 Judgement 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.

- e) The Company was entitled to excise incentives from Government at its Galgal 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).

During the year 2018, the matter was 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, 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.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the year 2018 in respect of excise incentives for two years. In the previous year, the ITAT had directed the Assessing Officer to re-examine and take final decision independently.

Notes to the Financial Statements

for the year ended December 31, 2020

Pending final closure of this matter, tax amount of ₹500.63 Crore (*Previous year – ₹500.63 Crore*) along with interest payable of ₹103.81 Crore (*Previous year – ₹97.37 Crore*) has been disclosed under contingent liabilities.

(B) Guarantees excluding financial guarantees

	As at December 31, 2020	As at December 31, 2019
Guarantees given to Government Bodies on behalf of subsidiary companies	0.04	12.54

₹ Crore

NOTE 41: 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 judgement 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 modernisation 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 disbursements 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

Notes to the Financial Statements

for the year ended December 31, 2020

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 2, 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 up to 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 up to March 2030 permitting the Company to commence mining operations after depositing ₹48 Crore, being assessed value of materials dispatched between April 2014 to September 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.

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for the year ended December 31, 2020

NOTE 42. 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 Singhanian 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 Holcim Services (South Asia) Limited	Fellow Subsidiary
5 Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
6 Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
7 Holcim Technology Ltd, Switzerland	Fellow Subsidiary
8 LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
9 LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
10 LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
11 Lafarge SA, France	Fellow Subsidiary
12 LH Global Hub Services Private Limited	Fellow Subsidiary
13 Lafarge International Services Singapore Pte Ltd	Fellow Subsidiary
14 PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (up to January 31, 2019)
15 Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16 Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
17 The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18 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 (up to February 20, 2020). Additional Director (w.e.f. February 21, 2020) Non-Executive/Non Independent Director (w.e.f. July 6, 2020)
2 Mr Sridhar Balakrishnan	Managing Director & CEO (w.e.f. February 21, 2020)
3 Mr Sunil K. Nayak	Chief Financial Officer (up to July 31, 2019)
4 Ms Rajani Kesari	Chief Financial Officer (w.e.f. August 1, 2019, up to August 31, 2020)
5 Mr Yatin Malhotra	Chief Financial Officer (w.e.f. September 1, 2020)
6 Mr Ramaswami Kalidas	Company Secretary (up to September 26, 2019)
7 Mr Rajiv Choubey	Company Secretary (w.e.f. September 26, 2019)
8 Mr N. S. Sekhsaria	Chairman, Non-Executive/Non Independent Director
9 Mr Jan Jenisch	Deputy Chairman, Non-Executive/Non Independent Director

Notes to the Financial Statements

for the year ended December 31, 2020

(b)	Name of the Related Parties:	Nature of Relationship
10	Mr Martin Kriegner	Non-Executive/Non Independent Director
11	Mr Shailesh Haribhakti	Independent Director
12	Mr Sushil Kumar Roongta	Independent Director
13	Mr Ashwin Dani	Independent Director (up to March 22, 2019)
14	Mr Farrokh K Kavarana	Independent Director (up to March 22, 2019)
15	Mr Vijay Kumar Sharma	Non Independent Director (up to July 20, 2020)
16	Mr Arunkumar R Gandhi	Independent Director (up to March 22, 2019)
17	Ms Falguni Nayar	Independent Director
18	Mr Christof Hassig	Non-Executive/Non Independent Director (up to February 20, 2020)
19	Mr Damodarannair Sundaram	Independent Director (w.e.f. March 22, 2019)
20	Mr Vinayak Chatterjee	Independent Director (w.e.f. March 22, 2019)
21	Mr Sunil Mehta	Independent Director (w.e.f. March 22, 2019)
22	Mr M. R. Kumar	Non Independent Director (w.e.f. October 19, 2020)

		₹ Crore	
(C)	Transactions with Subsidiary Companies	For the year ended December 31, 2020	For the year ended December 31, 2019
1	Purchase of Property, Plant and Equipments	-	0.06
	Bulk Cement Corporation (India) Limited	-	0.06
2	Purchase of Raw Material	-	3.81
	Singhania Minerals Private Limited	-	3.81
3	Sale of finished goods	-	0.49
	Bulk Cement Corporation (India) Limited	-	0.49
4	Reimbursement of Expenses Paid/Payable	1.43	2.22
	Bulk Cement Corporation (India) Limited	1.43	2.22
5	Reimbursement of Expenses Received/Receivable	1.29	1.33
	Bulk Cement Corporation (India) Limited	1.29	1.16
	Singhania Minerals Private Limited	-	0.17
6	Rendering of Services	2.53	2.52
	Bulk Cement Corporation (India) Limited	2.53	2.52
7	Receiving of Services	20.83	19.94
	Bulk Cement Corporation (India) Limited	20.83	19.94
8	Inter Corporate Deposit (including accrued interest) written-off*	2.05	-
	National Limestone Company Private Limited	2.05	-
9	Interest received on Inter Corporate Deposit	0.20	0.18
	National Limestone Company Private Limited	0.12	0.11
	Singhania Minerals Private Limited	0.07	0.06
	Lucky Minmat Limited	0.01	0.01
10	Inter Corporate Deposits Given	0.21	0.56
	National Limestone Company Private Limited	0.19	0.53
	Lucky Minmat Limited	0.02	0.03
11	Conversion of outstanding interest into Inter Corporate Deposits	0.06	0.29
	National Limestone Company Private Limited	0.04	0.23
	Singhania Minerals Private Limited	0.02	0.05
	Lucky Minmat Limited	-	0.01

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		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
Outstanding balances with Subsidiary Companies			
1	Guarantee outstanding as at the end of the Year ##	0.04	12.54
	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	0.82	2.41
	National Limestone Company Private Limited	-	1.63
	Singhania Minerals Private Limited	0.71	0.69
	Lucky Minmat Limited	0.11	0.09
3	Outstanding balance of interest receivables on Inter Corporate Deposits	0.12	0.17
	National Limestone Company Private Limited	-	0.11
	Singhania Minerals Private Limited	0.11	0.06
	Lucky Minmat Limited	0.01	-
4	Outstanding balance included in Trade receivables	0.35	1.95
	Bulk Cement Corporation (India) Limited	0.18	1.78
	Singhania Minerals Private Limited	0.17	0.17
5	Outstanding balance included in Trade payables	2.01	2.61
	Bulk Cement Corporation (India) Limited	2.01	2.61

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
(D)	Transactions with Joint Venture Companies		
1	Purchase of Finished Goods	86.59	100.86
	Aakaash Manufacturing Company Private Limited {Refer Note 46 (ii)}	86.59	100.86
2	Sale of Finished Goods	8.00	12.52
	Aakaash Manufacturing Company Private Limited	8.00	12.52
3	Receiving of Services	17.44	27.15
	OneIndia BSC Private Limited	17.44	27.15
4	Dividend Received	-	1.32
	Aakaash Manufacturing Company Private Limited	-	1.32
5	Reimbursement of Expenses Paid/Payable	1.22	-
	Aakaash Manufacturing Company Private Limited	1.22	-
6	Reimbursement of Expenses Received/Receivable	-	0.02
	Aakaash Manufacturing Company Private Limited	-	0.02
7	Other recoveries (Net)	-	2.80
	Aakaash Manufacturing Company Private Limited	-	2.80

		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
Outstanding balances with Joint venture Companies			
1	Outstanding balance included in Trade receivables	1.59	0.96
	Aakaash Manufacturing Company Private Limited	1.59	0.96
2	Outstanding balance included in Trade payables	21.17	16.33
	Aakaash Manufacturing Company Private Limited	20.64	14.06
	OneIndia BSC Private Limited	0.53	2.27

Notes to the Financial Statements

for the year ended December 31, 2020

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
(E)	Transactions with Associate Companies		
1	Purchase of Finished Goods	47.77	68.46
	Alcon Cement Company Private Limited {Refer Note – 46 (i)}	47.77	68.46
2	Purchase of Raw Materials	4.87	11.19
	Asian Concretes and Cements Private Limited	4.87	11.19
3	Sale of Unfinished Goods	15.68	20.78
	Alcon Cement Company Private Limited {Refer Note – 46 (i)}	14.18	20.78
	Asian Fine Cement Private Limited	1.50	-
4	Dividend Received	0.29	0.37
	Alcon Cement Company Private Limited	0.29	0.37
5	Receiving of Services	62.10	107.60
	Asian Concretes and Cements Private Limited	62.10	107.60
6	Reimbursement of Expenses Received/Receivable	11.24	13.47
	Alcon Cement Company Private Limited	11.24	13.47
7	Reimbursement of Expenses Paid/Payable	2.38	2.22
	Alcon Cement Company Private Limited	0.14	1.67
	Asian Concretes and Cements Private Limited	2.24	0.55

		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
Outstanding balances with Associate Companies			
1	Outstanding balance included in Trade receivables	6.39	6.81
	Alcon Cement Company Private Limited	6.39	6.81
2	Outstanding balance included in Trade payables	12.75	17.80
	Asian Concretes and Cements Private Limited	6.16	14.69
	Alcon Cement Company Private Limited	6.09	3.11
	Asian Fine Cement Private Limited	0.50	-

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
(F)	Details of Transactions relating to Ultimate Holding and Holding Companies		
1	Dividend paid	143.36	143.36
	Ambuja Cements Limited	131.58	131.58
	Holderind Investments Limited	11.78	11.78
2	Purchase of Raw materials	15.83	0.80
	Ambuja Cements Limited	15.83	0.80
3	Purchase of Finished/Unfinished goods	498.37	112.87
	Ambuja Cements Limited	498.37	112.87
4	Purchase of Stores & Spares	1.75	0.44
	Ambuja Cements Limited	1.75	0.44
5	Purchase of Property, Plant and Equipments	1.28	-
	Ambuja Cements Limited	1.28	-
6	Sale of Finished/Unfinished Goods	220.25	101.39
	Ambuja Cements Limited	220.25	101.39
7	Sale of Raw Material	1.76	1.44
	Ambuja Cements Limited	1.76	1.44
8	Sale of Stores & Spares	0.36	1.17
	Ambuja Cements Limited	0.36	1.17
9	Sale of Scrap	-	0.11
	Ambuja Cements Limited	-	0.11

Notes to the Financial Statements

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		₹ Crore	
(F) Details of Transactions relating to Ultimate Holding and Holding Companies		For the year ended December 31, 2020	For the year ended December 31, 2019
10	Sale of Property, Plant and Equipments	0.72	-
	Ambuja Cements Limited	0.72	-
11	Rendering of Services	53.44	42.46
	Ambuja Cements Limited	53.44	42.46
12	Receiving of Services	39.58	32.71
	Ambuja Cements Limited	39.58	32.71
13	Reimbursement of Expenses Received/Receivable	0.06	0.04
	Ambuja Cements Limited	0.06	0.01
	LafargeHolcim Ltd	-	0.03
14	Reimbursement of Expenses Paid/Payable	1.45	9.74
	Ambuja Cements Limited	1.45	9.74

		₹ Crore	
Outstanding balances with Ultimate Holding and Holding Companies		As at December 31, 2020	As at December 31, 2019
1	Outstanding balance included in Trade receivables	24.36	29.05
	Ambuja Cements Limited	24.36	29.02
	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	68.11	43.72
	Ambuja Cements Limited	68.11	43.72

		₹ Crore	
(G) Details of Transactions relating to Fellow Subsidiary Companies/Joint Venture of Holding Company		For the year ended December 31, 2020	For the year ended December 31, 2019
1	Purchase of Raw materials	210.25	238.94
	LafargeHolcim Energy Solutions SAS	210.04	237.84
	Counto Microfine Products Private Limited	0.21	1.10
2	Sale of Finished/Unfinished Goods	0.03	0.11
	Counto Microfine Products Private Limited	0.03	0.11
3	Technology and Know-how fees	132.79	152.33
	Holcim Technology Ltd	132.79	152.33
4	Receiving of Services	64.54	64.76
	Holcim Services (South Asia) Limited	52.43	59.53
	Holcim Group Services Ltd	-	0.33
	Lafarge SA	0.66	2.79
	Holcim Technology Ltd	0.37	2.11
	LH Global Hub Services Private Limited	11.08	-
5	Rendering of Services	11.05	11.05
	Holcim Services (South Asia) Limited	9.63	9.33
	Lafarge SA	0.79	1.72
	Holcim Technology Ltd	0.63	-
6	Expense recognised in respect of doubtful debts **	1.73	-
	Holcim Technology Ltd	1.45	-
	LafargeHolcim Trading Pte Ltd	0.13	-
	PT Holcim Indonesia Tbk	0.15	-

Notes to the Financial Statements

for the year ended December 31, 2020

		₹ Crore	
(G) Details of Transactions relating to Fellow Subsidiary Companies/Joint Venture of Holding Company	For the year ended December 31, 2020	For the year ended December 31, 2019	
7 Reimbursement of Expenses Paid/Payable	1.77	-	
LafargeHolcim Energy Solutions SAS	0.27	-	
Lafarge International Services Singapore Pte Ltd	1.47	-	
Holcim Group Services Ltd	0.03	-	
8 Reimbursement of Expenses Received/Receivable	1.48	2.69	
LafargeHolcim Energy Solutions SAS	0.51	0.76	
LafargeHolcim Trading Pte Ltd	-	1.92	
Holcim Technology Ltd	0.78	0.01	
LH Global Hub Services Private Limited	0.19	-	

		₹ Crore	
Outstanding balances with Fellow Subsidiary Companies/Joint Venture of Holding Company	As at December 31, 2020	As at December 31, 2019	
1 Outstanding balance included in Trade receivables	5.23	11.89	
Holcim Services (South Asia) Limited	4.78	5.93	
Lafarge SA	0.03	2.22	
Holcim Technology Ltd	0.21	3.37	
PT Holcim Indonesia Tbk	-	0.15	
Lafarge Holcim Trading Pte Limited	-	0.13	
Counto Microfine Product Pvt Ltd	-	0.06	
Holcim Cement (Bangladesh) Ltd	-	0.01	
LafargeHolcim Bangladesh Ltd	0.02	0.02	
LH Global Hub Services Private Limited	0.19	-	
2 Outstanding balance included in Trade payables	38.88	49.84	
LafargeHolcim Energy Solutions SAS	1.93	5.14	
Holcim Technology Ltd	29.91	34.54	
Counto Microfine Products Private Limited	0.04	0.20	
Holcim Services (South Asia) Limited	5.33	9.92	
Holcim Group Services Ltd	0.03	0.04	
Lafarge SA	0.17	-	
Lafarge International Services Singapore Pte Ltd	1.47	-	

Notes to the Financial Statements

for the year ended December 31, 2020

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
(H) Details of Transactions with Key Management Personnel			
1 Remuneration***		16.44	13.56
Mr Neeraj Akhoury		6.15	8.90
Mr Sridhar Balakrishnan		3.32	-
Ms Rajani Kesari		4.10	1.49
Mr Rajiv Choubey		2.27	0.38
Mr Yatin Malhotra		0.60	-
Mr Sunil K. Nayak		-	1.95
Mr Ramaswami Kalidas		-	0.84
Breakup of Remuneration		16.44	13.56
Short-term employee benefits		15.83	12.53
Post employment benefits (including defined contribution and defined benefits)***		0.35	0.86
Other long-term benefits***		-	-
Employee share based payments (Refer Note – 53)		0.26	0.17
2 Other Payment to Key Management Personnel			
Commission Payable		2.97	3.19
Mr N. S. Sekhsaria		0.50	0.50
Mr Martin Kriegner#		-	-
Mr Shailesh Haribhakti		0.36	0.36
Mr Sushil Kumar Roongta		0.36	0.36
Mr Vijay Kumar Sharma		0.11	0.20
Mr Jan Jenisch		0.20	0.20
Ms Falguni Nayar		0.20	0.20
Mr Christof Hassig		0.03	0.20
Mr Sunil Mehta		0.36	0.28
Mr Damodarannair Sundaram		0.45	0.35
Mr Vinayak Chatterjee		0.36	0.28
Mr M. R. Kumar		0.04	-
Mr Arunkumar Gandhi		-	0.10
Mr Ashwin Dani		-	0.08
Mr Farrokh Kavarana		-	0.08
Mr Neeraj Akhoury#		-	-
Sitting Fees		0.78	0.47
Mr N. S. Sekhsaria		0.07	0.04
Mr Martin Kriegner#		-	-
Mr Shailesh Haribhakti		0.11	0.07
Mr Sushil Kumar Roongta		0.11	0.09
Mr Vijay Kumar Sharma		0.03	0.03
Mr Jan Jenisch		0.02	0.01
Ms Falguni Nayar		0.06	0.03
Mr Christof Hassig		0.01	0.02
Mr Sunil Mehta		0.12	0.04
Mr Damodarannair Sundaram		0.12	0.05
Mr Vinayak Chatterjee		0.12	0.05
Mr M. R. Kumar		0.01	-
Mr Arunkumar Gandhi		-	0.01
Mr Ashwin Dani		-	0.01
Mr Farrokh Kavarana		-	0.02
Mr Neeraj Akhoury#		-	-

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for the year ended December 31, 2020

* During the year, the Company divested 100% stake in National Limestone Company Private Limited ('NLCPL') under a Share Purchase Agreement dated November 18, 2020 for a consideration of ₹20 Crore and the outstanding Inter-Corporate Loans granted by the Company to the NLCPL including accrued interest as on the date of transfer of the shares of NLCPL is written-off.

** Reimbursements and cost sharing expenses receivable from the Group companies written-off.

*** 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.

Waived their right to receive Directors' commission and sitting fees.

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 ₹24.31 Crore (Previous year – ₹25.64 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 ₹25.00 Crore (Previous year – ₹0.80 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.

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.

NOTE 43. 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 organisation 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.

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for the year ended December 31, 2020

Information about Primary Business Segments

₹ Crore

	Cement		Ready Mix Concrete		Total	
	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue						
External sales	12,531.41	13,870.08	955.42	1,473.03	13,486.83	15,343.11
Inter-segment sales	126.76	190.23	2.49	1.58	129.25	191.81
Other operating revenue	294.06	305.60	3.65	7.94	297.71	313.54
	12,952.23	14,365.91	961.56	1,482.55	13,913.79	15,848.46
Less: Elimination	126.76	190.23	2.49	1.58	129.25	191.81
Total revenue	12,825.47	14,175.68	959.07	1,480.97	13,784.54	15,656.65
Operating EBITDA	2,292.08	2,256.30	60.08	153.15	2,352.16	2,409.45
Segment result	1,708.06	1,701.25	13.51	133.21	1,721.57	1,834.46
Unallocated corporate income net of unallocated expenditure					16.54	16.47
Operating Profit					1,738.11	1,850.93
Finance costs					(57.04)	(86.22)
Interest and Dividend income					182.72	266.76
Exceptional item {Refer Note – 2 (3)}					(176.01)	-
Tax expenses (Refer Note – 22)					(272.84)	(672.56)
Profit after tax					1,414.94	1,358.91
Capital expenditure (including capital work-in-progress and capital advances)	700.22	493.49	17.32	27.44	717.54	520.93
Depreciation and Amortisation	588.72	584.04	46.58	18.93	635.30	602.97
Other non-cash expenses						
Impairment losses	176.01	-	-	-	176.01	-
Expected credit loss on Incentives under Government schemes	128.92	-	-	-	128.92	-
Others	18.39	11.10	32.05	18.37	50.44	29.47

Notes to the Financial Statements

for the year ended December 31, 2020

₹ Crore

	Cement		Ready Mix Concrete		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Segment assets	10,500.41	10,925.45	447.99	470.27	10,948.40	11,395.72
Unallocated Corporate assets					7,177.53	5,686.38
Total assets					18,125.93	17,082.10
Segment liabilities	3,900.80	3,792.39	416.54	355.15	4,317.34	4,147.54
Unallocated corporate liabilities					1,147.15	1,413.28
Total liabilities					5,464.49	5,560.82

₹ Crore

	For the year ended December 31, 2020	For the year ended December 31, 2019
Sales from external customer		
Within India	13,482.07	15,341.39
Outside India *	4.76	1.72
TOTAL	13,486.83	15,343.11

No single customer contributed 10% or more to the Company's revenue for the year ended December 31, 2020 and December 31, 2019.

* 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, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Net Cash flow from operating activities	3,054.57	2,878.09	11.96	17.00	(850.96)	(646.74)	2,215.57	2,248.35
Net cash used in investing activities	(732.63)	(465.77)	(12.53)	(27.68)	208.57	165.13	(536.59)	(328.32)
Net cash used in financing activities	(1.80)	-	(22.79)	-	(302.77)	(374.16)	(327.36)	(374.16)

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 44. 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, 2020	As at December 31, 2019
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)	6.29	11.27
	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 45.

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.

As at December 31, 2020, 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%.
- (d) Weighted average cost of capital (WACC) of these Companies are estimated as 15.50%.

The Company 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.

Notes to the Financial Statements

for the year ended December 31, 2020

- (ii) The Company has investment in ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of ₹106.80 Crore (*Previous year – ₹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 judgement 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 judgement on March 9, 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 re-imbursement 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 – 37 of the consolidated financial statements for Group information).

- (iii) The Company has investment of ₹2.50 Crore (*Previous year – ₹2.50 Crore*) in equity shares of OneIndia BSC Private Limited ('BSC'), joint venture of ACC Limited ('the Company'). BSC is engaged in the business of providing business shared services. The Master service agreement (MSA) for these services was entered for a period of 5 years ending December 31, 2020. The MSA agreement is not renewed. Accordingly, the financial statements of BSC for the year ended December 31, 2020 has not been prepared on going concern basis. BSC is currently not under liquidation. The management believes that amount of investment in BSC is recoverable and no impairment is necessary given the positive net worth of ₹13.09 Crore and net current assets value of ₹9.59 Crore as at December 31, 2020.

NOTE 46.

- (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 ₹11.08 Crore (*Previous year – ₹16.24 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 – 38)
- (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 ₹73.18 Crore (*Previous year – ₹85.34 Crore*) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 47. 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, 2020 *	Maximum Balance during the Year *	As at December 31, 2019 *	Maximum Balance during the Previous Year *
(a) Loans and Advances to wholly-owned Subsidiaries –					
National Limestone Company Private Limited (Refer Note – 54)	Working Capital	-	1.86	1.63	1.63
Singhania Minerals Private Limited	Working Capital	0.71	0.71	0.69	0.69
Lucky Minmat Limited	Working Capital	0.11	0.11	0.09	0.09

* Balance does not include outstanding interest

- (b) Details of Investments made are given in Note 5.
- (c) Guarantee given on behalf of Singhania Minerals Private Limited, wholly-owned subsidiary company, of ₹0.04 Crore (Previous year – ₹0.04 Crore) are for the purpose of approval of mining plan.
- (d) Guarantee given on behalf of ACC Mineral Resources Limited, wholly-owned subsidiary company of ₹ Nil (Previous year – ₹12.50 Crore) is for the purpose of allocation 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 48. CAPITALISATION OF EXPENDITURE

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/Capital work-in-progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	₹ Crore	
	2020	2019
Balance at the beginning of the year	17.53	4.99
Expenditure during construction for projects:		
Employee benefits expense*	23.43	11.68
Rates and taxes**	0.80	1.86
Power and fuel**	0.56	-
Miscellaneous expenses**	2.02	-
Total	44.34	18.53
Less: Capitalised during the year	5.25	1.00
Balance at the end of the year	39.09	17.53

* Employee benefits expense represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.

** Miscellaneous expenses, power and fuel 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 the management.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 49. FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

₹ Crore			
Particulars	Note No.	Carrying value	
		As at	As at
		December 31, 2020	December 31, 2019
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Investment in Unquoted equity shares	6	4.50	-
Cash and cash equivalents - Mutual funds	12	580.09	725.47
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	250.00	1,492.98
Other Cash and cash equivalents (Balances with banks)	12	4,904.83	2,164.73
Bank balances other than Cash and Cash Equivalents	13	156.17	154.92
Investments in Bonds	6	3.70	3.70
Security deposits (Current and Non-Current)	7 & 14	174.88	150.16
Loans and Other financial assets (Current and Non-Current)	7, 8, 14 & 15	926.19	897.56
Trade receivables	11	451.53	628.43
3. Measured at fair value through Other Comprehensive Income			
		-	-
Total		7,451.89	6,217.95

			₹ Crore
Particulars	Note No.	As at December 31, 2020	As at December 31, 2019
Financial liabilities			
1. Measured at FVTPL			
Foreign currency forward contract	23	0.28	-
2. Measured at amortised cost			
Trade payables		1,416.30	1,470.97
Security deposits and retention money	23	801.26	710.54
Lease Liabilities	20 & 23	102.48	-
Other financial liabilities	23	205.80	223.42
Total		2,526.12	2,404.93

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.

Notes to the Financial Statements

for the year ended December 31, 2020

(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:

Particulars	₹ Crore	
	For the Year ended December 31, 2020	For the Year ended December 31, 2019
Financial assets measured at amortised cost		
Interest income	(182.43)	(165.59)
Impairment losses on trade receivable (including reversals of impairment losses)	37.34	21.51
Expected credit loss on Incentives under Government schemes	128.92	-
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(14.82)	(19.53)
Net gain on fair valuation of current financial assets	(0.12)	(0.47)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	1.74	4.46
Interest expenses on deposits from dealers	17.14	33.45
Interest expenses on lease liabilities	9.80	-
Derivatives – Foreign exchange forward contracts		
Net loss/(gain) on foreign currency forward contract	0.59	(0.94)
Net gain recognised in Statement of Profit and Loss	(1.84)	(127.11)

(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 summarised below:

	Level 1	Level 2	Level 3	Total
As at December 31, 2020				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	4.50	4.50
Cash and cash equivalents – Mutual funds	580.09	-	-	580.09
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	0.28	-	0.28

Notes to the Financial Statements

for the year ended December 31, 2020

	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	-	-	-	-

During the reporting period ending December 31, 2020 and December 31, 2019, 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: 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.

Level 3: Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range

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 Company. The Company has a robust risk management framework to identify, monitor, mitigate and minimise 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 minimise 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.

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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	<ol style="list-style-type: none"> 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, lease liabilities and other financial liabilities	Maturity analysis	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Exposure limits 2. Foreign exchange Forward contract
Market Risk – Commodity price risk	Movement in prices of commodities mainly Imported Coal and Petcoke	Sensitivity analysis	<ol style="list-style-type: none"> 1. Fuel mix optimisation 2. Longer term contracts
Market Risk- Interest rate risk	Security deposit from dealers	Sensitivity analysis	<ol style="list-style-type: none"> 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 its 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.

Incentives receivable from the Government

The Company's manufacturing units in various states; mainly those in Maharashtra and Jharkhand are eligible for incentives under the respective State Industrial Policy. The Company accrued these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Company and there was reasonable assurance that the incentive claims will be disbursed by the State Governments.

During the current year, in view of the management re-assessing the expected recovery period for incentives receivables, a charge of ₹128.92 Crore due to time value of money computed based on the expected credit loss method is included in Other Expenses.

The Company is confident about the ultimate realisation of the dues from the State Governments and there is no risk of default.

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

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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:

	As at December 31, 2020	₹ Crore As at December 31, 2019
Neither past due nor impaired	221.33	221.25
Past due not impaired		
- 1-180 days	214.63	375.02
- more than 180 days	15.56	32.16
Past due impaired		
- 1-180 days	1.18	1.96
- more than 180 days	66.12	39.17
Total	518.82	669.56

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 summarises the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	₹ Crore
As at January 1, 2019	24.65
Provided during the year	22.75
Amounts utilised	(5.03)
Reversals of Provision	(1.24)
As at December 31, 2019	41.13
Provided during the year	39.64
Amounts utilised	(11.18)
Reversals of Provision	(2.30)
As at December 31, 2020	67.29

No significant changes in estimation techniques or assumptions were made during the reporting period.

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for the year ended December 31, 2020

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.

	₹ Crore				
	Carrying amount	Less than 1 year	1 -5 Years	More than 5 years	Total
As at December 31, 2020					
Other financial liabilities*	1,007.06	1,027.54	-	-	1,027.54
Lease Liabilities	102.48	26.10	76.18	29.15	131.43
Foreign exchange Forward contract	0.28	0.28	-	-	0.28
Trade payables	1,416.30	1,416.30	-	-	1,416.30
	2,526.12	2,470.22	76.18	29.15	2,575.55

	₹ Crore				
	Carrying amount	Less than 1 year	1 -5 Years	More than 5 years	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

*Other financial liabilities includes deposits received from customers amounting to ₹706.13 Crore (Previous year – ₹641.59 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.

Notes to the Financial Statements

for the year ended December 31, 2020

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, 2020					USD	EUR
Trade Payable					5.19	6.33
Foreign exchange derivative contracts					(0.35)	-
Net exposure to foreign currency risk (liabilities)					4.84	6.33

					CHF	GBP
Trade Payable					0.11	0.01
Foreign exchange derivative contracts					-	-
Net exposure to foreign currency risk (liabilities)					0.11	0.01

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

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, 2020		As at December 31, 2019			
	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹		
USD	0.21	(0.21)	0.20	(0.20)		
EUR	0.32	(0.32)	0.11	(0.11)		
CHF	0.01	(0.01)	-	-		
SEK	-	-	0.04	(0.04)		
TOTAL	0.54	(0.54)	0.35	(0.35)		

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 petcoke 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 optimise 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.

Notes to the Financial Statements

for the year ended December 31, 2020

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, 2020 would decrease/increase by ₹3.53 Crore (Previous year - ₹3.18 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 51. 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.

	Note No.	As at December 31, 2020	As at December 31, 2019
Total Debt		-	-
Less: Cash and cash equivalents	12	(5,734.92)	(4,383.18)
Net debt		(5,734.92)	(4,383.18)
Equity	18 & 19	12,661.44	11,521.28
Debt to Equity (Net)		NA	NA

NOTE 52. DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

	For the Year ended December 31, 2020	For the Year ended December 31, 2019
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2019 ₹ Nil per share (Previous year – ₹14 per share for 2018)	-	262.90
Interim dividend for the year ended December 31, 2019 ₹14 per share (Previous year – ₹ Nil)*	262.90	-
Dividend distribution tax on final dividend#	-	54.04
	262.90	316.94
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2020 ₹14 per share	262.90	-
Dividend for the year ended December 31, 2019 ₹14 per share*	-	262.90
	262.90	262.90

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at December 31.

* Subsequent to the year end, the Board of Directors decided to revoke the recommendation for payment of final dividend for the Financial Year ended December 31, 2019 and declared payment of interim dividend for the financial year ended December 31, 2019 at ₹14 per share.

Dividend Distribution Tax is abolished with effect from April 1, 2020.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 53. 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.

7,800 (*Previous year – 9,000*) performance shares at a fair value of ₹3,352 per share (*Previous year – ₹3,405 per share*) were granted in 2020. 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, ₹2.66 Crore (*Previous 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.

Information related to awards granted through the Performance Share Plan is presented below:

	For the Year ended December 31, 2020	For the Year ended December 31, 2019
As at January 1	9,000	-
Granted	7,800	9,000
Forfeited	(600)	-
As at December 31	16,200	9,000

Fair value of shares granted is determined based on the estimated achievement of LafargeHolcim Earnings per Share, Return on Invested Capital and Sustainability indicators.

Note 54. The Company divested 2,00,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated November 18, 2020. The Company has received the entire consideration amount of ₹20 Crore and the necessary instructions have been lodged with the depository to transfer the shares to the acquirer in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations. Further the Company's nominee directors stepped down from NLCPL Board allowing reconstitution of the Board by the acquirers. With the completion of the sale formalities and ceding of control, NLCPL has ceased to be the Company's subsidiary. The Company has, therefore, accounted for ₹3.94 Crore as profit arising from divestment.

Note 55. The Company successfully commissioned a new Grinding Unit with a cement capacity of 1.4 MTPA on January 2, 2021 at Sindri, in the State of Jharkhand which will further strengthen our positioning in the eastern region.

Note 56. The Competition Commission of India ("CCI") has initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behavior and conducted search and seizure operations in December 2020 against few companies. The Company is in the process of providing information sought. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company believes that this does not have any impact on the financial statements.

NOTE 57. RISK DUE TO OUTBREAK OF COVID-19 PANDEMIC

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Company has used internal and external sources of information and expects that the carrying amount of these assets will be recovered.

Notes to the Financial Statements

for the year ended December 31, 2020

NOTE 58. The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 59. 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

MARTIN KRIEGNER

Director

DIN: 00077715

SRIDHAR BALAKRISHNAN

Managing Director & CEO

DIN: 08699523

DAMODARANNAIR SUNDARAM

Director

DIN: 00016304

YATIN MALHOTRA

Chief Financial Officer

NEERAJ AKHOURY

Director

DIN: 07419090

RAJIV CHOUBEY

Company Secretary

ACS: 13063

Mumbai, February 11, 2021

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 of the Companies Act, 2013 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 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2020
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
4	Share capital	121.95	33.64	3.25	-	0.52
		121.95	33.64	3.25	2.00	0.52
5	Reserves and surplus	(37.39)	25.68	(5.74)	-	(1.48)
		(40.29)	24.10	(5.24)	(1.94)	(0.87)
6	Total assets	88.40	68.30	0.65	-	1.40
		85.57	69.27	0.66	2.03	1.86
7	Total liabilities	3.84	8.98	3.14	-	2.36
		3.91	11.53	2.65	1.97	2.21
8	Turnover	-	18.48	-	-	-
		0.09	18.78	-	-	3.63
9	Profit/(Loss) before tax	2.91	2.08	(0.50)	1.64	(0.61)
		6.36	3.18	(0.48)	(0.39)	0.05
10	Tax expenses	0.01	0.50	-	-	-
		(0.58)	0.76	-	-	-
11	Profit/(Loss) after tax	2.90	1.58	(0.50)	1.64	(0.61)
		6.94	2.42	(0.48)	(0.39)	0.05
12	Proposed dividend	-	-	-	-	-
		-	-	-	-	-
13	% of shareholding	100%	94.65%	100%	-	100%
		100%	94.65%	100%	100%	100%

Part “B”: Associates and Joint Ventures

ASSOCIATES

Sl. No.	Name of Associates	Alcon Cement Company Private Limited	Asian Concretes and Cements Private Limited
1	Latest audited Balance Sheet Date	December 31, 2020	December 31, 2020
	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 (b)	Note (b)
4	Reason why the associates is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	5.70	89.12
		5.73	80.52
6	Total comprehensive income for the year (₹ Crore)	0.73	19.11
		2.29	26.65
	i. Considered in consolidation (₹ Crore)	0.29	8.60
		0.92	11.99
	ii. Not considered in consolidation (₹ Crore)	0.44	10.51
		1.37	14.66

JOINT VENTURES

Sl. No.	Name of Joint Ventures	OneIndia BSC Private Limited	Aakaash Manufacturing Company Private Limited
1	Latest audited Balance Sheet date	December 31, 2020	December 31, 2020
	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	NA	NA
4	Reason why the joint venture is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	6.55	8.08
		7.19	7.44
6	Total comprehensive income for the year (₹ Crore)	(1.30)	1.61
		2.30	(0.72)
	i. Considered in consolidation (₹ Crore)	(0.65)	0.64
		1.15	(0.29)
	ii. Not considered in consolidation (₹ Crore)	(0.65)	0.97
		1.15	(0.43)

- Notes:**
- (a) *During the year, the Company divested 100% stake in its wholly-owned subsidiary company National Limestone Company Private Limited under a Share Purchase Agreement dated November 18, 2020.
 - (b) There is significant influence due to percentage (%) of equity Share capital.
 - (c) 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

MARTIN KRIEGER

Director
DIN: 00077715

DAMODARANNAIR SUNDARAM

Director
DIN: 00016304

NEERAJ AKHOURY

Director
DIN: 07419090

SRIDHAR BALAKRISHNAN

Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA

Chief Financial Officer

RAJIV CHOUBEY

Company Secretary
ACS: 13063

Mumbai, February 11, 2021

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, 2020, 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 venture 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, 2020, 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, its associates and joint ventures 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 42(A)(a) and 42(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 ₹1147.59 Crore 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 judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 5, 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 Crore 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.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Sl. No.	Key Audit Matters	Auditor's Responses
1.	<p>Litigation, Claims and Contingent Liabilities:</p> <p>(Refer Notes 24 and 42(A), to be read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements)</p> <p>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.</p> <p>Based on the nature of regulatory and legal cases management applies significant judgement 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.</p> <p>Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> 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 evaluate 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.
2.	<p>Income tax provision:</p> <p>(Refer Notes 22 and 42(A) of the consolidated financial statements)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write-back of provisions, due to the following factors:</p> <ul style="list-style-type: none"> 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. 	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> 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, 2020 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.

Independent Auditor's Report

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, standalone 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 (which include four joint operations), 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 (which include four joint operations), 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 judgements 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 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 respective Board of Directors 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 judgement and maintain professional scepticism 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,

Independent Auditor's Report

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.
- Obtain 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 three subsidiaries (which includes four joint operations), whose financial statements reflect total assets of ₹90.44 Crore as at December 31, 2020, total revenues of ₹3.17 Crore and net cash inflows amounting to ₹2.46 Crore for the year ended on that date, as considered in the consolidated financial statements. We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflects total assets of ₹1.97 Crore as at as at the date of sale i.e. November 18, 2020, total revenues of ₹2.06 Crore and net cash inflows amounting to ₹0.01 Crore up to the date of sale, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹9.57 Crore for the year ended December 31, 2020, 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

Independent Auditor's Report

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, 2020 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, 2020 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:

Independent Auditor's Report

- 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 42 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: 21040081AAAAAQ7937

Place: Mumbai

Date: February 11, 2021

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, 2020, 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 Board 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 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 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, 2020, 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 three 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: 21040081AAAAAQ7937

Place: Mumbai

Date: February 11, 2021

Consolidated Balance Sheet

as at December 31, 2020

		₹ Crore	
Particulars	Note No.	As at December 31, 2020	As at December 31, 2019
A. ASSETS			
1. Non-current assets			
a) Property, Plant and Equipment	2	6,508.38	6,976.89
b) Capital work-in-progress		548.11	445.67
c) Other intangible assets	3	45.98	34.27
d) Right of use assets	4	129.89	-
e) Goodwill on consolidation		10.19	15.57
f) Investments in associates and joint ventures	5	121.07	112.48
g) Financial Assets			
(i) Investments	6	8.20	3.70
(ii) Loans	7	135.91	143.76
(iii) Other financial assets	8	645.65	609.86
h) Non-current Tax Assets (Net)		944.06	859.76
i) Other non-current assets	9	654.16	399.45
Total Non-current assets		9,751.60	9,601.41
2. Current assets			
a) Inventories	10	901.27	1,141.93
b) Financial assets			
(i) Trade receivables	11	451.41	626.65
(ii) Cash and Cash Equivalents	12	5,849.36	4,492.53
(iii) Bank balances other than Cash and Cash Equivalents	13	156.34	155.20
(iv) Loans	14	58.99	29.02
(v) Other financial assets	15	266.33	270.38
c) Current Tax Assets (Net)		71.26	-
d) Other current assets	16	690.76	808.39
		8,445.72	7,524.10
e) Non-current assets classified as held for sale	17	2.91	10.47
Total Current assets		8,448.63	7,534.57
Total – Assets		18,200.23	17,135.98
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	12,511.14	11,355.78
Equity attributable to owners of the parent		12,699.13	11,543.77
Non-controlling interest		3.24	3.16
Total Equity		12,702.37	11,546.93
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
Lease Liabilities	20	83.98	-
b) Provisions	21	214.83	235.10
c) Deferred tax liabilities (Net)	22	394.79	655.72
Total – Non-current liabilities		693.60	890.82
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	46	6.30	11.27
Total outstanding dues of creditors other than micro and small enterprises		1,415.93	1,463.71
(ii) Other financial liabilities	23	1,028.36	937.50
b) Other current liabilities	24	1,998.07	1,919.39
c) Provisions	25	15.87	23.39
d) Current tax liabilities (Net)		339.73	342.97
Total – Current liabilities		4,804.26	4,698.23
Total – Liabilities		5,497.86	5,589.05
Total – Equity and Liabilities		18,200.23	17,135.98
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

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

RAJIV CHOUBEY
Company Secretary
ACS: 13063

MARTIN KRIEGER
Director
DIN: 00077715

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Mumbai, February 11, 2021

Consolidated Statement of Profit and Loss

for the year ended December 31, 2020

₹ Crore

Particulars	Note No.	For the year ended December 31, 2020	For the year ended December 31, 2019
INCOME			
1. Revenue from operations	26	13,785.98	15,657.55
2. Other Income	27	216.74	318.43
3. Total Income (1+2)		14,002.72	15,975.98
4. Expenses			
a) Cost of materials consumed	28	1,673.21	2,256.39
b) Purchases of Stock-in-trade	29	696.89	361.69
c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	30	142.41	100.81
d) Employee benefits expense	31	841.21	866.11
e) Power and Fuel		2,574.65	3,134.01
f) Freight and Forwarding expense	32	3,416.09	4,032.09
g) Finance costs	33	57.08	86.27
h) Depreciation and amortisation expense	34	638.84	606.44
i) Other expenses	35	2,087.43	2,495.99
		12,127.81	13,939.80
Captive consumption of cement		(1.02)	(2.32)
Total Expenses		12,126.79	13,937.48
5. Profit before share of profit of associates and joint ventures and tax (3-4)		1,875.93	2,038.50
6. Share of profit in associates and joint ventures		8.93	14.02
7. Profit before exceptional item and tax (5+6)		1,884.86	2,052.52
8. Exceptional item {Refer Note – 2(3)}		176.01	-
9. Profit before tax (7-8)		1,708.85	2,052.52
10. Tax expense	22		
a) Current tax		548.06	690.20
b) Deferred tax (credit)/charge		(269.47)	(15.22)
		278.59	674.98
11. Profit for the year (9-10)		1,430.26	1,377.54
12. Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit and loss:			
(a) Re-measurement gain/(loss) on defined benefit plans	39	(6.01)	(75.28)
(b) Share of Re-measurement gain/(loss) on defined benefit plans of associates and joint ventures (net of tax)		(0.04)	(0.25)
(ii) Income tax relating to items that will not be reclassified to profit and loss	22	(8.53)	26.30
Other comprehensive income for the year, net of tax		(14.58)	(49.23)
13. Total comprehensive income for the year (11+12)		1,415.68	1,328.31
11. Profit Attributable to:			
Owners of the Company		1,430.18	1,377.41
Non-controlling interests		0.08	0.13
Profit for the year		1,430.26	1,377.54
12. Other comprehensive income Attributable to:			
Owners of the Company		(14.58)	(49.23)
Non-controlling interests		-	-
Other comprehensive income		(14.58)	(49.23)
13. Total comprehensive income Attributable to:			
Owners of the Company		1,415.60	1,328.18
Non-controlling interests		0.08	0.13
Total comprehensive income		1,415.68	1,328.31
14. Earnings per equity share of ₹10 each:	36		
(a) Basic ₹		76.16	73.35
(b) Diluted ₹		75.98	73.17
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

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA

Chairman

DIN: 00276351

SRIDHAR BALAKRISHNAN

Managing Director & CEO

DIN: 08699523

YATIN MALHOTRA

Chief Financial Officer

MARTIN KRIEGER

Director

DIN: 00077715

DAMODARANNAR SUNDARAM

Director

DIN: 00016304

NEERAJ AKHOURY

Director

DIN: 07419090

RAJIV CHOUBEY

Company Secretary

ACS: 13063

Mumbai, February 11, 2021

Consolidated Statement of Changes in Equity

for the year ended December 31, 2020

A. EQUITY SHARE CAPITAL

	Note no.	₹ Crore
As at January 1, 2019	18	187.99
Issue of equity shares		-
As at December 31, 2019	18	187.99
Issue of equity shares		-
As at December 31, 2020	18	187.99

B. OTHER EQUITY

For the year ended December 31, 2020

	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 1, 2020	845.03	2,796.78	0.63	7,713.34	11,355.78	3.16	11,358.94
Profit for the year	-	-	-	1,430.18	1,430.18	0.08	1,430.26
Other Comprehensive income for the year, net of tax	-	-	-	(14.58)	(14.58)	-	(14.58)
Total Comprehensive income for the year	-	-	-	1,415.60	1,415.60	0.08	1,415.68
Employee share based payments (Refer Note – 56)	-	-	2.66	-	2.66	-	2.66
Interim dividend paid for 2019 (Refer Note – 54)	-	-	-	(262.90)	(262.90)	-	(262.90)
As at December 31, 2020	845.03	2,796.78	3.29	8,866.04	12,511.14	3.24	12,514.38

Consolidated Statement of Changes in Equity

for the year ended December 31, 2020

For the year ended December 31, 2019

	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 1, 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
Employee share based payments (Refer Note – 56)	-	-	0.63	-	0.63	-	0.63
Final dividend paid for 2018 (Refer Note – 54)	-	-	-	(262.90)	(262.90)	-	(262.90)
Dividend distribution tax on dividend (Refer Note – 54)	-	-	-	(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

₹ Crore

See accompanying notes to the financial statements
In terms of our report attached

For and on behalf of the Board of Directors of ACC Limited,

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018

N. S. SEKHSARIA

Chairman

DIN: 00276351

MARTIN KRIEGNER

Director

DIN: 00077715

SAIRA NAINAR

Partner

Membership No. 040081

SRIDHAR BALAKRISHNAN

Managing Director & CEO

DIN: 08699523

DAMODARANNAR SUNDARAM

Director

DIN: 00016304

YATIN MALHOTRA

Chief Financial Officer

NEERAJ AKHOURY

Director

DIN: 07419090

RAJIV CHOUBEY

Company Secretary

ACS: 13063

Mumbai, February 11, 2021

Consolidated Statement of Cash Flow

for the year ended December 31, 2020

Particulars	Note No.	₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		1,708.85	2,052.52
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	638.84	606.44
Exceptional item (Refer Note – 2(3))		176.01	-
Expected credit loss on incentives under Government schemes		128.92	-
Loss/(Profit) on sale/write-off of Property, Plant & Equipment (net)	35&27	10.96	(26.87)
Gain on termination of leases	27	(2.38)	-
Gain on sale of current financial assets measured at FVTPL	27	(15.83)	(21.64)
Gain on sale of investment in Subsidiary Company	27	(12.91)	-
Interest income	27	(185.46)	(269.49)
Finance costs	33	57.08	86.27
Impairment losses on trade receivables (net)	35	37.34	21.51
Provision for doubtful advances (net)		-	0.05
Provision for slow and non-moving Stores & Spares (net)	10	7.96	6.38
Provision no longer required written back	26	(5.80)	(9.53)
Net gain on fair valuation of current financial assets measured at FVTPL	27	(0.16)	(0.43)
Employee share based payments	31	2.66	0.63
Share of profit in associates and joint ventures	38	(8.93)	(14.02)
Fair value movement in derivative instruments		0.28	-
Unrealised exchange loss (net)		0.34	0.12
Operating profit before working capital changes		2,537.77	2,431.94
Changes in working capital:			
Adjustments for Decrease/(Increase) in operating assets:			
Decrease in inventories	10	232.34	531.08
Decrease in trade receivable	11	137.83	219.21
(Increase)/Decrease in loans & advances	7&14	(22.10)	73.54
Increase in other assets	8,9, 15-17	(44.31)	(258.84)
Adjustments for Increase/(Decrease) in operating liabilities:			
Decrease in trade payables		(47.29)	(441.87)
(Decrease)/Increase in provision	21&25	(49.06)	5.79
Increase in other liabilities	23-24	180.86	141.00
Cash generated from operations		2,926.04	2,701.85
Direct tax paid including interest on income tax – (Net of refunds)		(706.85)	(447.14)
Net Cash flow from operating activities		2,219.19	2,254.71
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loans to Joint Venture	7	(0.02)	-
Payment received against loan given to Joint Venture		-	0.12
Investment in Equity shares	6	(4.50)	-
Proceeds from sale of investment in Subsidiary Company		20.00	-
Purchase of Property, Plant and Equipments (Including capital work-in-progress and capital advances)			
Capex for increases in operating capacity		(409.30)	(108.70)
Capex for efficiency improvement and maintaining operating capacity		(339.23)	(440.26)

Consolidated Statement of Cash Flow

for the year ended December 31, 2020

		₹ Crore	
Particulars	Note No.	For the year ended December 31, 2020	For the year ended December 31, 2019
Proceeds from sale of Property, Plant and Equipment		0.68	54.05
Net proceeds from sale of mutual funds		15.83	21.64
Investment in bank and margin money deposits (having original maturity for more than 12 months)	8	(3.81)	(32.27)
Redemption of bank and margin money deposits (having original maturity for more than 12 months)	8	1.40	-
Investment in bank and margin money deposits (having original maturity for more than 3 months)	13	(7,238.00)	(2,476.87)
Redemption of bank and margin money deposits (having original maturity for more than 3 months)	13	7,234.37	2,481.73
Investment in certificate of deposits		(750.00)	(600.00)
Redemption of certificate of deposits		750.00	600.00
Dividend received from Associate/Joint venture		0.29	1.69
Interest received		187.14	177.21
Net cash used in investing activities		(535.15)	(321.66)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(39.87)	(57.22)
Payment of lease liabilities		(24.59)	-
Dividend paid	54	(262.90)	(262.90)
Dividend distribution tax paid	54	-	(54.04)
Net cash used in financing activities		(327.36)	(374.16)
Net increase in cash and cash equivalents		1,356.68	1,558.89
Add: Cash and cash equivalents at the beginning of the year	12	4,492.53	2,933.21
Less: Transfer on sale of investment in subsidiary Company		(0.01)	-
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	27	0.16	0.43
Cash and cash equivalents at the end of the year	12	5,849.36	4,492.53
See accompanying notes to the financial statements			

Note:

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 and on behalf of the Board of Directors of ACC Limited,

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018

N. S. SEKHSARIA

Chairman

DIN: 00276351

MARTIN KRIEGER

Director

DIN: 00077715

SAIRA NAINAR

Partner

Membership No. 040081

SRIDHAR BALAKRISHNAN

Managing Director & CEO

DIN: 08699523

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Director

DIN: 00016304

YATIN MALHOTRA

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RAJIV CHOUBEY

Company Secretary

ACS: 13063

Mumbai, February 11, 2021

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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 1, 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 – 400 020, 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 – 37. Information on related party relationship of the Group is provided in Note – 44.

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 11, 2021.

(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, 2020.

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;
- d) Investments in associates and joint ventures which are accounted for using the equity method; and
- e) Employee share based payments measured at fair value.

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 except change in accounting policy on Leases as disclosed in Note No. (xxx).

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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(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 current 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 of 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, 2020.

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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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 of 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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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.

Notes to the Consolidated Financial Statements

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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 recognise 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

- 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 has applied Ind AS 116 with effect from January 1, 2020 and all leases are disclosed under Right of use assets.

Depreciation and Amortisation

- a) 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.
- b) 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

- c) 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.
- d) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

- e) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.
- f) 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.
- g) 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.

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	20 years	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.

Notes to the Consolidated Financial Statements

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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:

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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 through 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.

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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; and
- b) trade receivables and other receivables (including incentive receivable from Government)

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

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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) 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.

b) Financial liabilities and equity instruments

Classification as debt or equity

An instrument 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 financial liabilities mainly comprise (a) trade payables, (b) liability for capital expenditure (c) security deposit (d) other payables (e) lease liabilities and (f) forward contract.

Initial recognition and measurement

The Group 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 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.

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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

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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

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from customers which are disclosed in Note No. 24. 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.

Provident Fund

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. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

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

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(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.

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 performance share 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

Notes to the Consolidated Financial Statements

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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

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- 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.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of tax expense of respective group entities and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities in respective group entities, whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

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 utilised. 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

I. Accounting policy effective January 1, 2020

Ind AS 116 “Leases” replaces Ind AS 17 “Leases” and applicable to the Group with effect from January 1, 2020.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- i. the contract involves the use of an identified asset;
- ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- iii. the Group has the right to direct the use of the asset.

Group as a lessee:

Right-of-use assets (“ROU”)

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the

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commencement date of the lease plus any initial direct costs and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right of use assets	Average (Range) lease terms (in years)
Buildings	8
Land	8-99
Machines	6
Furniture and Vehicles	5

The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Group uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit or Loss.

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease liability (Financial liabilities) and ROU asset have been separately presented in the Consolidated Balance Sheet and related cash flows are classified as financing activities in the Consolidated Statement of Cash Flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (in the range of

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for the year ended December 31, 2020

₹4,00,000 to ₹16,00,000 for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as operating activities in the Consolidated Statement of Cash Flows.

Group as a lessor:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Consolidated Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

II. Accounting policy up to December 31, 2019

In the comparative period, accounting and disclosure for leases was done as per Ind AS 17.

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.

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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 organised 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 the Group will comply with all the conditions attached to them and there is a reasonable assurance that the grant/subsidy will be received.
- 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) Exceptional items:

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed separately in the financial statements.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(xxix) 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 judgements 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.

Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate

the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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 crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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 utilisation 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.

(xxx) New Accounting Pronouncements

Effective from January 1, 2020, the Group has adopted the following new Standard and amendments to certain Ind AS relevant to the Group:

IND AS 116: Leases

Changes in Accounting Policy and Disclosures:

The Group has adopted Ind AS 116 effective January 1, 2020, using 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, are recognised at the present value of the remaining lease payments starting January 1, 2020, and discounted using the incremental borrowing rate as at the date of initial application.

Further, the application of Ind AS 116 did not have any significant impact on the consolidated financial statements and EPS for the year ended December 31, 2020. Information regarding the financial impacts of the initial application of Ind AS 116 is outlined in Note No. 40.

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 carried out an assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

There is no material impact on the Group due to the application of the above amendment.

Several other amendments apply for the first time for the year ending December, 31 2020, but do not have an impact on the consolidated financial statements of the Group.

(xxxi) Recent Accounting Developments

There is no new standard or amendment to the existing standards which are applicable from January 1, 2021.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (x) for accounting policy on Property, Plant and Equipment

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION AND IMPAIRMENT			NET CARRYING VALUE	
	As at January 1, 2020	Additions	Disposals/ December 31, 2020	As at January 1, 2020	Depreciation charge for the year	Impairment losses recognised in the year (Refer Note – 3 below)	Disposals/ December 31, 2020	As at December 31, 2020
Tangible Assets:								
Freehold non-mining land	134.40	3.84	-	138.24	-	-	-	138.24
Freehold mining land	340.66	3.62	0.04	344.24	0.22	-	1.26	342.98
Leasehold land (Refer Note – 4 below)	39.51	-	39.51	-	-	-	1.86	-
Buildings	1,717.77	73.45	9.81	1,781.41	83.45	29.27	7.43	1,385.30
Plant and equipment	6,706.58	231.05	44.72	6,892.91	479.07	116.75	35.89	4,396.82
Railway sidings	259.33	16.46	-	275.79	21.97	1.43	-	175.88
Furniture and fixtures	29.62	4.91	0.52	34.01	3.15	0.27	0.40	15.29
Vehicles	88.24	8.44	1.78	94.90	10.79	10.14	0.84	36.91
Office equipment	66.28	5.67	0.99	70.96	8.92	0.53	0.96	16.96
Total	9,382.39	347.44	97.37	9,632.46	607.57	158.39	47.38	6,508.38
								6,976.89
₹ Crore								
Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE	
	As at January 1, 2019	Additions	Disposals	As at January 1, 2019	Depreciation charge for the year	Disposals	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	-	339.62	306.13
Leasehold land	39.51	-	-	39.51	1.33	-	37.65	38.18
Buildings	1,661.56	64.37	8.16	1,717.77	220.44	7.69	1,426.95	1,441.12
Plant and equipment	6,311.44	429.36	34.22	6,706.58	1,472.51	15.95	4,770.42	4,838.93
Railway sidings	255.00	4.33	-	259.33	55.27	-	182.82	199.73
Furniture and fixtures	27.26	2.47	0.11	29.62	12.64	0.09	13.92	14.62
Vehicles	68.64	19.69	0.09	88.24	27.40	0.09	50.34	41.24
Office equipment	59.17	8.51	1.40	66.28	37.56	1.27	20.77	21.61
Total	8,863.10	563.27	43.98	9,382.39	1,827.92	25.09	6,976.89	7,035.18
₹ Crore								

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

Notes:

1. Buildings include cost of shares ₹34,600 (*Previous year – ₹34,600*) in various Co-operative Housing Societies, in respect 17 (*Previous year – 17*) 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 (under ROU assets in current year) amounting to net block of ₹2.04 Crore (*Previous year – ₹2.10 Crore*), 2 cases of freehold land amounting to net block of ₹1.37 Crore (*Previous year – ₹1.37 Crore*) and 2 cases of Buildings amounting to net block of ₹5.39 Crore (*Previous year – ₹5.76 Crore*) respectively as at December 31, 2020 for which title deeds are in the name of the erstwhile Company that merged with the Company.
3. Considering lower profitability due to higher input cost, the Company has suspended part of its operations at Madukkarai plant. The Company has carried out a review of the recoverable amount of the tangible assets and capital work in progress used in cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work-in-progress at Madukkarai plant is assessed to be lower than its carrying amount and consequently an impairment loss of ₹176.01 Crore (including Capital work-in-progress ₹17.62 Crore) has been recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value is 10.64% per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4% per annum is applied beyond the forecast period.
4. Upon introduction of Ind AS 116 Leases effective January 1, 2020, all Finance Lease assets amounting to net block of ₹37.61 Crore identified under the earlier Ind AS 17 Leases, have been reclassified to Right of use assets.
5. Capital work-in-progress as at December 31, 2020 is ₹548.11 Crore (*Previous year – ₹445.67 Crore*). Refer Note 49 for the amount of expenditure recognised in the carrying amount of Property, Plant and Equipment/Capital work-in-progress (CWIP) during the course of its construction.
6. For contractual commitment with respect to Property, Plant and Equipment, Refer Note – 41.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 3: OTHER INTANGIBLE ASSETS

Refer Note 1 (xi) for accounting policy on Intangible Assets

Particulars	GROSS CARRYING VALUE			ACCUMULATED AMORTISATION			NET CARRYING VALUE	
	As at January 1, 2020	Additions	As at December 31, 2020 Disposals	As at January 1, 2020	Amortisation charge for the year	As at December 31, 2020 Disposals	As at December 31, 2020	As at December 31, 2019
Intangible assets:								
Computer software	2.90	1.02	-	3.92	0.19	-	2.89	0.20
Mining rights	46.28	14.59	-	60.87	3.71	-	15.92	34.07
Total	49.18	15.61	-	64.79	3.90	-	18.81	34.27

Particulars	GROSS CARRYING VALUE			ACCUMULATED AMORTISATION			NET CARRYING VALUE	
	As at January 1, 2019	Additions	As at December 31, 2019 Disposals	As at January 1, 2019	Amortisation charge for the year	As at December 31, 2019 Disposals	As at December 31, 2019	As at December 31, 2018
Intangible assets:								
Computer software	2.89	0.01	-	2.90	0.68	-	2.70	0.87
Mining rights	45.67	0.61	-	46.28	3.09	-	12.21	36.55
Total	48.56	0.62	-	49.18	3.77	-	14.91	37.42

NOTE 4: RIGHT OF USE ASSETS

Refer Note 1 (xxiii) for accounting policy on Leases

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 1, 2020*	Reclassified on account of Ind AS 116*	Additions	As at December 31, 2020 Disposals	As at January 1, 2020	Reclassified on account of Ind AS 116*	Amortisation charge for the year	As at December 31, 2020 Disposals	As at December 31, 2020	As at December 31, 2019
Leasehold Land	69.69	39.47	6.93	5.07	111.02	-	1.86	12.95	0.85	13.96
Buildings	5.03	-	-	0.08	4.95	-	1.46	-	-	1.46
Plant and Equipment	56.45	-	1.27	18.37	39.35	-	12.80	2.51	10.29	29.06
Vehicles	0.44	-	-	-	0.44	-	0.16	-	0.16	0.28
Total	131.61	39.47	8.20	23.52	155.76	-	1.86	27.37	3.36	25.87

* Refer Note 40 on adoption of Ind AS 116 'Leases'

Notes to the Consolidated Financial Statements

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NOTE 5: 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, 2020		As at December 31, 2019	
	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	14.22
Asian Concretes and Cements Private Limited	81,00,000	88.65	81,00,000	80.05
	102.87		94.27	
Investment in Joint Ventures				
Face value ₹10 each fully paid				
OneIndia BSC Private Limited {Refer Note – 47(ii)}	25,01,000	6.31	25,01,000	6.96
Aakaash Manufacturing Company Private Limited	4,401	11.89	4,401	11.25
	18.20		18.21	
Total		121.07		112.48
Aggregate amount of unquoted Investments		121.07		112.48

NOTE 6: NON-CURRENT INVESTMENTS

Refer Note 1 (xiv) for accounting policy on Investments

	As at December 31, 2020		As at December 31, 2019	
	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				
Amplus Green Power Private Limited (Refer Note – II below)	25,78,592	4.50	-	-
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	-
	4.50		-	
Investment at amortised cost				
Investment in unquoted bonds				
Face value ₹10,00,000 each fully paid				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Total		8.20		3.70

Notes:

(i) Aggregate value of unquoted investments. 8.20 3.70

Notes to the Consolidated Financial Statements

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(II) During the year, the Group has subscribed 25,78,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹4.50 Crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Tikaria plant would be one of the consumers.

(III) *Each of such investments is carried at value less than ₹50,000.

Refer Note 50 for information about fair value measurement and Note 51 for credit risk and market risk of investments.

NOTE 7: NON-CURRENT – LOANS

Considered Good – Unsecured, unless otherwise stated

Refer Note 1 (xiv) for accounting policy on Loans

	As at December 31, 2020	As at December 31, 2019
Security deposits	124.40	130.62
Loans and advances		
Considered good – unsecured	3.92	3.90
Receivables which have significant increase in credit risk	26.99	26.99
Less: Allowance for doubtful advances	(26.99)	(26.99)
	3.92	3.90
Loans to Employees	7.59	9.24
Total	135.91	143.76

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 51 for information about credit risk and market risk of loans.

NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments

	As at December 31, 2020	As at December 31, 2019
Incentives under Government schemes (Net) {Refer Note – 51(ii)}	606.56	573.18
Bank deposits with more than 12 months maturity*	30.84	29.06
Margin money deposit with more than 12 months maturity**	8.25	7.62
Total	645.65	609.86

*Lodged as security with government authorities of ₹30.58 Crore (Previous year – ₹28.80 Crore).

**Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 51 for information about credit risk and market risk of other financial assets.

Notes to the Consolidated Financial Statements

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NOTE 9: OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	As at December 31, 2020	As at December 31, 2019
Capital advances	348.76	94.72
Advance other than capital advances		
Claim receivables from Government and others		
Unsecured, considered good	14.24	14.18
Considered doubtful	4.21	4.21
Less: allowance for doubtful receivables	(4.21)	(4.21)
	14.24	14.18
Deposits with Government bodies and others		
Unsecured, considered good	291.16	290.55
Considered doubtful	3.33	3.33
Less: allowance for doubtful deposits	(3.33)	(3.33)
	291.16	290.55
Total	654.16	399.45

NOTE 10: INVENTORIES

At lower of cost and net realisable value

Refer Note 1 (xiii) for accounting policy on Inventories

	As at December 31, 2020	As at December 31, 2019
Raw materials	115.54	117.44
{Including goods-in-transit ₹2.70 Crore (Previous year – ₹4.09 Crore)}		
Work-in-progress	147.84	177.61
Finished goods	111.74	231.32
Stock-in-trade	14.48	7.90
{Including goods-in-transit ₹4.37 Crore (Previous year – ₹0.49 Crore)}		
Stores and spares	249.74	311.47
{Including goods-in-transit ₹13.99 Crore (Previous year – ₹14.74 Crore)}		
Packing materials	24.07	20.65
Fuels	237.86	275.54
{Including goods-in-transit ₹10.69 Crore (Previous year – ₹11.53 Crore)}		
Total	901.27	1,141.93

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 ₹7.96 Crore (Previous year – ₹6.38 Crore). There has been no reversal of such write down in current and previous year.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 11: TRADE RECEIVABLES

Refer Note 1 (xiv) for accounting policy on Trade receivables

	As at December 31, 2020	As at December 31, 2019
Considered good – secured	35.95	43.35
Considered good – unsecured*	415.46	583.30
Receivables which have significant increase in credit risk {Refer Note 51(i)}	67.29	41.13
	518.70	667.78
Less: allowance for doubtful receivables	(67.29)	(41.13)
Total	451.41	626.65

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 44 for receivables from related parties.

Refer Note 51 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

	As at December 31, 2020	As at December 31, 2019
Balances with banks:		
- In current accounts	140.86	30.42
- Deposits with original maturity of less than three months	4,842.86	2,174.90
	4,983.72	2,205.32
Cheques on hand*	-	36.71
Deposit with other than banks with original maturity of less than three months	250.00	250.00
Post office saving accounts	0.01	0.01
	5,233.73	2,492.04
Investments in liquid mutual funds measured at FVTPL	615.63	757.51
Certificates of deposit with original maturity of less than three months	-	1,242.98
Total	5,849.36	4,492.53

*Cheques on hand are cleared subsequent to the year end.

As at December 31, 2020, the Company has sanctioned and available undrawn borrowing facilities of ₹130.80 Crore (Previous year – ₹145.00 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Refer Note 1 (xiv) for accounting policy on Bank balances other than Cash and Cash Equivalents

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Other bank balances:		
*Deposits with original maturity for more than 3 months but less than 12 months	127.85	121.84
**Margin money deposits with original maturity for more than 3 months but less than 12 months	-	2.44
#On unpaid dividend accounts	28.49	30.92
Total	156.34	155.20

* Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹127.68 Crore {(Previous year – ₹121.56 Crore) - Refer Note – 42 (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

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Security deposits	53.13	23.48
Loan to employees	5.86	5.54
Total	58.99	29.02

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 51 for credit risk and market risk of loans.

NOTE 15: OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Incentives under Government schemes	256.58	258.95
Interest accrued on investments	8.25	10.19
Other accrued interest	1.50	1.24
Total	266.33	270.38

Refer Note 51 for credit risk and market risk of other financial assets

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 16: OTHER CURRENT ASSETS

Considered Good – Unsecured, unless otherwise stated

	₹ Crore	
	As at December 31, 2020	As at December 31, 2019
Advances other than capital advances		
Advances to suppliers	259.38	438.86
Prepaid expenses	55.26	42.32
Other receivables		
Balances with statutory/Government authorities	358.79	281.94
Others	17.33	45.27
Other receivables which have significant increase in credit risk	17.88	17.88
	35.21	63.15
Less: allowance for doubtful receivables	(17.88)	(17.88)
	17.33	45.27
Total	690.76	808.39

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, 2020	As at December 31, 2019
Plant and equipment	1.76	5.36
Building	1.15	5.11
Total	2.91	10.47

- The Group intends to dispose off plant and equipment and Building in the next 12 months which it no longer intends to utilise. A selection of potential buyers is underway.
- During the year, the Group has reclassified buildings of ₹3.96 Crore and plant and equipments of ₹3.01 Crore.

NOTE 18: EQUITY SHARE CAPITAL

	₹ Crore	
	As at December 31, 2020	As at December 31, 2019
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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 1, 2019	18,77,87,263	187.79
Increase/(decrease) during the year	-	-
As at December 31, 2019	18,77,87,263	187.79
Increase/(decrease) during the year	-	-
As at December 31, 2020	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

	As at December 31, 2020	₹ Crore As at December 31, 2019
Ambuja Cements Limited, the Holding company		
9,39,84,120 (<i>Previous year – 9,39,84,120</i>) Equity shares ₹10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited		
84,11,000 (<i>Previous year – 84,11,000</i>) 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, 2020		As at December 31, 2019	
	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	95,03,365	5.06	1,06,79,857	5.69

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, 2020

NOTE 19: OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

	As at December 31, 2020	₹ Crore As at December 31, 2019
Securities premium	845.03	845.03
General reserve	2,796.78	2,796.78
Capital contribution from parent	3.29	0.63
Retained earnings	8,866.04	7,713.34
Total	12,511.14	11,355.78

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 FINANCIAL LIABILITY

Refer Note 1 (xxiii) for accounting policy on Leases

	As at December 31, 2020	₹ Crore As at December 31, 2019
Lease liabilities (Refer Note – 40)	83.98	-
Total	83.98	-

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 21: NON-CURRENT PROVISIONS

Refer Note 1 (xix) for accounting policy on Employee benefits

Refer Note 1 (xvi) for accounting policy on Site restoration provisions

	As at December 31, 2020	₹ Crore As at December 31, 2019
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 39)	102.35	141.92
Provision for provident fund (Refer Note – 39)	66.31	55.25
Provision for long service award	5.77	4.49
Other provisions		
Provision for site restoration (Refer Note – 21.1 below)	40.40	33.44
Total	214.83	235.10

Note 21.1 – 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:

	As at December 31, 2020	₹ Crore As at December 31, 2019
Opening Balance	33.44	33.08
Provision/(reversal) during the year (net)	5.49	(1.21)
Utilised during the year	(0.03)	(0.35)
Unwinding of discount and changes in the discount rate	1.50	1.92
Closing Balance	40.40	33.44

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, 2020

NOTE 22: 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, 2020:

	For the quarter ended March 31, 2020		For the nine months ended December 31, 2020		For the Year ended December 31, 2020		For the Year ended December 31, 2019	
	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %
Profit before share of profit of associates and joint ventures and tax								
At India's statutory income tax rate (Refer Note (a) below)	473.85	34.94%	1,226.07	25.17%	1,699.92	27.89%	2,038.50	34.94%
Effect of Allowances for tax purpose								
Tax Holiday claim under Section 80-1A (Up to March 31, 2020)	(15.73)	(3.32%)	-	-	(15.73)	(0.93%)	(60.07)	(2.96%)
Inter corporate dividends Section 80M	-	-	(0.07)	(0.01%)	(0.07)	(0.01%)	-	-
Effect of Non-Deductible expenses								
Corporate social responsibility expenses	2.40	0.51%	6.41	0.52%	8.81	0.52%	8.76	0.44%
Others	0.83	0.18%	3.07	0.25%	3.90	0.23%	14.63	0.72%
Effect of Tax Exempt Income – Dividend	-	-	-	-	-	-	(0.59)	(0.03%)
At the effective income tax rate	(12.50)	(2.63%)	9.41	0.76%	(3.09)	(0.19%)	(37.27)	(1.83%)
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	153.06	32.31%	318.02	25.93%	471.08	27.70%	674.98	33.11%
Effect of change in tax rate on deferred tax for the period January 1 to March 31, 2020	-	-	(189.61)	(15.46%)	(189.61)	(11.15%)	-	-
Income tax expense reported in the Consolidated Statement of Profit and Loss	-	-	(2.88)	(0.23%)	(2.88)	(0.17%)	-	-
	153.06	32.31%	125.53	10.24%	278.59	16.38%	674.98	33.11%

Notes:

- The Group follows calendar year as financial year, therefore applicable statutory income tax rate is weighted average rate. 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.
- The Government of India has inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Group has adopted the option of reduced rate and accordingly, opening net deferred tax liability as on January 1, 2020 amounting to ₹179.57 Crore has been reversed (net of reversal of deferred tax assets of ₹10.04 Crore in Other Comprehensive Income) during the year ended December 31, 2020.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

Deferred Tax:

Deferred Tax relates to the following:

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Deferred Tax Liabilities:		
Depreciation and amortisation differences	623.21	933.94
Deferred Tax Liabilities on undistributed profit of associates and joint ventures	18.21	12.97
	641.42	946.91
Deferred Tax Assets:		
Provision for employee benefits	48.25	73.68
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	70.78	98.78
Allowance for obsolescence of Stores and Spares	7.12	9.88
Allowance for doubtful debts, advances and other assets	19.20	17.51
Right of use assets and lease liabilities differences	3.03	-
Expected credit loss on incentives receivable from government	32.45	-
Other temporary differences	65.80	91.34
	246.63	291.19
Net Deferred Tax Liabilities	394.79	655.72

The major components of deferred tax liabilities/assets arising on account of timing differences are as follows:

	Net Balance as on January 1, 2020	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2020
₹ Crore					
Deferred Tax Liabilities:					
Depreciation and amortisation differences	933.94	(310.73)	-	-	623.21
Deferred Tax Liabilities on undistributed profit of associates and joint ventures	12.97	5.24	-	-	18.21
	946.91	(305.49)	-	-	641.42
Deferred Tax Assets:					
Provision for employee benefits	73.68	(16.90)	(8.53)	-	48.25
Expenditure debited in Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	98.78	(28.00)	-	-	70.78
Allowance for obsolescence of Stores and Spares	9.88	(2.76)	-	-	7.12
Allowance for doubtful receivables and other assets	17.51	1.69	-	-	19.20
Right of use assets and lease liabilities differences	-	3.03	-	-	3.03
Expected credit loss on incentives receivable from government	-	32.45	-	-	32.45
Other temporary differences	91.34	(25.54)	-	-	65.80
	291.19	(36.03)	(8.53)	-	246.63
Net Deferred Tax Liabilities	655.72	(269.46)	8.53	-	394.79

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

	Net Balance as on January 1, 2019	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2019
₹ Crore					
Deferred Tax Liabilities:					
Depreciation and amortisation differences	895.92	38.02	-	-	933.94
Deferred Tax Liabilities on undistributed profit of associates and joint venture	10.73	2.24	-	-	12.97
	906.65	40.26	-	-	946.91
Deferred Tax Assets:					
Provision for employee benefits	47.37	0.01	26.30	-	73.68
Expenditure debited in the 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

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 ₹18.57 Crore (*Previous Year – ₹24.26 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
2012-13	Business Loss	0.66	March 31, 2021
2013-14	Business Loss	0.85	March 31, 2022
2014-15	Business Loss	0.05	March 31, 2023
2015-16	Business Loss	0.02	March 31, 2024
2016-17	Business Loss	0.63	March 31, 2025
2016-17	Depreciation	0.11	Not Applicable
2017-18	Business Loss	1.32	March 31, 2026
2017-18	Depreciation	0.06	Not Applicable
2018-19	Business Loss	0.31	March 31, 2027
2018-19	Depreciation	0.04	Not Applicable
2019-20	Business Loss	0.02	March 31, 2028
	Total	4.07	

The above information is based on the returns of income filed by the individual subsidiary companies up to assessment year 2020-2021.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (xiv) for accounting policy on Financial Instruments

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Financial liabilities at amortised cost		
Interest accrued	13.89	26.50
Unpaid dividends*	28.49	30.92
Security deposits and retention money	801.90	711.49
Liability for capital expenditure	36.75	54.76
Lease liabilities	18.50	-
Provision for employees	128.55	113.83
Financial Liabilities at fair value		
Foreign currency forward contract	0.28	-
Total	1,028.36	937.50

*Investor Education and Protection Fund ('IEPF') – As at December 31, 2020, 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 24: OTHER CURRENT LIABILITIES

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Contract liability*		
Advances from customers	148.18	156.93
Other liability		
Statutory dues payable	575.14	551.46
Rebates to customers	521.56	497.00
Other payables (including interest on income tax, etc.)	753.19	714.00
Total	1,998.07	1,919.39

* The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2020.

NOTE 25: CURRENT PROVISIONS

Refer Note 1 (xix) for accounting policy on Employee benefits

	As at December 31, 2020	As at December 31, 2019
₹ Crore		
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 39)	7.49	10.21
Provision for compensated absences	7.48	12.32
Provision for long service award	0.90	0.86
Total	15.87	23.39

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 26: REVENUE FROM OPERATIONS

Refer Note 1 (xviii) for accounting policy on Revenue Recognition

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue from contracts with customers		
Sale of Manufactured products	12,676.52	14,895.73
Sale of Traded products	806.96	443.48
Income from services rendered	3.35	3.90
	13,486.83	15,343.11
Other Operating Revenue		
Provision no longer required written back	5.80	9.53
Scrap Sales	23.21	29.76
Government grants*	159.94	174.69
Miscellaneous income (including insurance claim, other services, etc.)	110.20	100.46
Total	13,785.98	15,657.55

* 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, 2020	For the year ended December 31, 2019
Revenue as per Contract price	15,263.40	17,291.37
Less: Discounts and incentives	(1,776.57)	(1,948.26)
Revenue as per Statement of Profit and Loss	13,486.83	15,343.11

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 45 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 27: OTHER INCOME

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest income using the effective interest rate method		
Interest on bank deposits	180.31	162.48
Interest on income tax **	0.02	99.51
Other interest income	5.13	7.50
	185.46	269.49
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	15.83	21.64
Net gain on fair valuation of current financial assets measured at FVTPL*	0.16	0.43
Gain on sale of investment in Subsidiary Company (Refer Note – 57)	12.91	-
Net gain on disposal of Property, Plant and Equipment	-	26.87
Gain on termination of leases	2.38	-
	31.28	48.94
Total	216.74	318.43

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

**During the previous year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Group recognised interest income on income tax refund and reversal of provision for interest expense on income tax, aggregating ₹276.66 Crore. The Group has made a provision of ₹177.18 Crore for matters other than excise incentive in view of uncertainties over tax treatments and considered as probable, resulting in recognition of net income of ₹99.48 Crore.

NOTE 28: COST OF MATERIALS CONSUMED

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Inventories at the beginning of the year	117.44	185.74
Add: Purchases	1,671.31	2,188.09
	1,788.75	2,373.83
Less: Inventories at the end of the year	115.54	117.44
Total	1,673.21	2,256.39

Details of cost of materials consumed

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Slag	262.08	334.75
Gypsum	258.24	358.69
Fly Ash	332.03	415.45
Cement for Ready Mix Concrete	109.84	172.50
Aggregates	170.75	252.05
Others*	540.27	722.95
Total	1,673.21	2,256.39

*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, 2020

NOTE 29: PURCHASES OF STOCK-IN-TRADE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Cement	690.26	360.24
Ready Mix Concrete	1.88	1.45
Other Products	4.75	-
Total	696.89	361.69

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Inventories at the end of the year		
Stock-in-trade	14.48	7.90
Finished Goods	111.74	231.32
Work-in-progress	147.84	177.61
	274.06	416.83
Inventories at the Beginning 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
Less: Transfer on sale of Subsidiary Company	0.36	-
	416.47	517.64
Total	142.41	100.81

NOTE 31: EMPLOYEE BENEFITS EXPENSE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Salaries and Wages* (Refer note – 49)	740.45	758.75
Contributions to Provident and other Funds	63.43	59.00
Employee share based payments (Refer Note – 56)	2.66	0.63
Staff welfare expenses	34.67	47.73
Total	841.21	866.11

*Salaries and Wages expense for the year ended December 31, 2020 include ₹20.52 Crore (Previous year – Nil) on account of charge for Employee Separation Scheme.

NOTE 32: FREIGHT AND FORWARDING EXPENSE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
On clinker transfer	489.83	495.82
On finished and semifinished products	2,926.26	3,536.27
Total	3,416.09	4,032.09

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 33: FINANCE COSTS

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest		
On Income tax	4.76	16.90
On Defined benefit obligation (net) (Refer Note – 39)	13.76	7.91
Interest on deposits from dealers	17.14	33.45
Interest on litigation matters	0.56	17.73
Interest on Lease Liabilities*	9.80	-
Others	9.56	8.36
Unwinding of discount on site restoration provision (Refer Note – 21.1)	1.50	1.92
Total	57.08	86.27

* Subsequent to introduction of Ind AS 116 Leases, the Group has recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation on Property, Plant and Equipment	607.57	602.67
Amortisation of intangible assets	3.90	3.77
Depreciation on Right of use assets	27.37	-
Total	638.84	606.44

NOTE 35: OTHER EXPENSES

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Consumption of stores and spare parts	225.63	326.95
Consumption of packing materials	386.26	458.13
Rent*	75.59	130.61
Rates and taxes (Refer note – 49)	77.77	140.02
Repairs	131.50	155.17
Insurance	25.79	20.55
Royalty on minerals	240.05	278.77
Advertisement	56.58	111.60
Technology and know-how fees	132.79	152.33
Expected credit loss on Incentives under Government schemes (Refer Note – 51(i))	128.92	-
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note – 51(i))}	37.34	21.51
Corporate Social Responsibility expense (Refer Note 2 below)	32.33	25.07
Miscellaneous expenses (Refer Note – 49 and 1 below)	536.88	675.28
Total	2,087.43	2,495.99

* Includes impact of Ind AS 116 - Leases (Refer Note - 40)

Notes:

- (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.

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for the year ended December 31, 2020

- (iii) Miscellaneous expenses includes Loss on sale/write-off of Property, Plant and Equipment (net) of ₹10.96 Crore (Previous year – Nil).
 - (iv) Miscellaneous expenses includes net loss of ₹1.74 Crore (Previous year – ₹4.46 Crore) on foreign currency transaction and translation.
 - (v) Miscellaneous expenses includes net gain of ₹0.59 Crore (Previous year – net loss of ₹0.94 Crore) on foreign currency forward contract.
2. Details of Corporate Social Responsibility expenses:
- The Group has spent ₹32.33 Crore (Previous year – ₹25.07 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 ₹31.52 Crore (Previous year – ₹23.90 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 36: 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, 2020	For the year ended December 31, 2019
Profit attributable to equity shareholders (as per Consolidated Statement of Profit and Loss)	1,430.18	1,377.41
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	4,55,369	4,57,816
(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	18,82,42,632	18,82,45,079
Earnings per share		
Face value per share	₹ 10.00	10.00
Basic	₹ 76.16	73.35
Diluted	₹ 75.98	73.17

Notes to the Consolidated Financial Statements

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NOTE 37: 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, 2020	As at December 31, 2019
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 (Refer Note – 57)	Cement and cement related products	India	NA	100%
Singhania Minerals Private Limited*	Cement and cement related products	India	100%	100%

*The financial statements of each of the above Companies are drawn up to the same reporting date as that of the parent company, i.e. December 31, 2020.

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, 2020	As at December 31, 2019
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, 2020	As at December 31, 2019
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 (Bicharapur) 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%

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NOTE 38: 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 summarised 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, 2020	For the year ended December 31, 2019
OneIndia BSC Private Limited		
Group's share of profit	(0.65)	1.29
Group's share of other comprehensive income	-	(0.14)
Group's share of total comprehensive income	(0.65)	1.15
Aakaash Manufacturing Company Private Limited		
Group's share of profit	0.66	(0.24)
Group's share of other comprehensive income	(0.02)	(0.05)
Group's share of total comprehensive income	0.64	(0.29)
	₹ Crore	
	As at December 31, 2020	As at December 31, 2019
Aggregate carrying amount of the Group's interests in these Joint ventures		
OneIndia BSC Private Limited	6.31	6.96
Aakaash Manufacturing Company Private Limited	11.89	11.25

b) Associates

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Alcon Cement Company Private Limited		
Group's share of profit	0.31	0.98
Group's share of other comprehensive income	(0.02)	(0.06)
Group's share of total comprehensive income	0.29	0.92
Asian Concretes and Cements Private Limited		
Group's share of profit	8.60	11.99
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	8.60	11.99
	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Aggregate carrying amount of the Group's interests in these Associates		
Alcon Cement Company Private Limited	14.22	14.22
Asian Concretes and Cements Private Limited	88.65	80.05

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NOTE 39: EMPLOYEE BENEFITS

Refer Note 1 (xix) for accounting policy on Employee benefits

- a) **Defined Contribution Plans** – Amount recognised and included in Note 31 “Contributions to Provident and other Funds” of Consolidated Statement of Profit and Loss ₹15.97 Crore (*Previous year – ₹16.60 Crore*).
- b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2020.

The Group has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan.

- 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 1, 2005 and separates from service of the Group on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non-funded .
- This plan is discontinued with effect from April 30, 2020 for all the eligible employees of management category and benefits accrued is disbursed to the employees.
- iii. Post Employment Medical Benefit plans – This plan is discontinued with effect from July 1, 2020.
- 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, 2020

Defined Benefit Plans as per Actuarial valuation on December 31, 2020

		₹ 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, 2020		
	Components recognised in the Consolidated Statement of Profit and Loss		
1	Current service cost	15.16	8.84
		13.39	9.07
2	Net Interest cost	2.01	7.39
		(0.15)	7.33
3	Loss on Curtailments	-	1.48
		-	-
4	(Gain) on settlements	-	-
		-	-
5	Net benefit expense	17.17	17.71
		13.24	16.40
	Components recognised in Consolidated other comprehensive income (OCI)		
6	Actuarial (gains)/losses arising from change in financial assumptions	7.86	4.58
		8.85	5.99
7	Actuarial (gains)/losses arising from change in experience adjustments	(0.01)	(6.04)
		9.01	2.59
8	Actuarial (gains)/losses arising from change in demographic assumptions	(0.29)	-
		(0.01)	-
9	(Gain)/loss on plan assets (Excluding amount included in net interest expenses)	(4.12)	-
		(5.73)	-
10	Sub-total – Included in OCI	3.44	(1.46)
		12.12	8.58
11	Total expense (5 + 10)	20.61	16.25
		25.36	24.98
II.	Amount recognised in Balance Sheet		
1	Present value of Defined Benefit Obligation	(221.90)	(102.23)
		(203.75)	(113.35)
2	Fair value of plan assets	214.29	-
		174.13	-
3	Funded status {Surplus/(Deficit)}	(7.61)	(102.23)
		(29.62)	(113.35)
4	Net asset/(liability) as at December 31, 2020	(7.61)	(102.23)
		(29.62)	(113.35)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

				₹ Crore
		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non-funded	
III. Present value of Defined Benefit Obligation				
1	Present value of Defined Benefit Obligation at beginning of the year	203.75	113.35	9.16
		<i>181.90</i>	<i>102.89</i>	<i>10.18</i>
2	Current service cost	15.16	8.84	-
		<i>13.39</i>	<i>9.07</i>	<i>(0.20)</i>
3	Interest cost	13.05	7.39	0.60
		<i>12.77</i>	<i>7.33</i>	<i>0.73</i>
4	Loss on Curtailments	-	1.48	-
		-	-	-
5	(Gain) on settlements	-	-	(9.31)
		-	-	-
6	Actuarial (gains)/losses arising from changes in financial assumptions	7.86	4.58	-
		<i>8.85</i>	<i>5.99</i>	<i>0.64</i>
7	Actuarial (gains)/losses arising from experience adjustments	(0.01)	(6.04)	(0.43)
		<i>9.01</i>	<i>2.59</i>	<i>(1.27)</i>
8	Actuarial (gains)/losses arising from change in demographic assumptions	(0.29)	-	-
		<i>(0.01)</i>	-	-
9	Benefits Payments	(17.62)	(27.37)	(0.02)
		<i>(22.16)</i>	<i>(14.52)</i>	<i>(0.92)</i>
10	Present value of Defined Benefit Obligation at the end of the year	221.90	102.23	-
		<i>203.75</i>	<i>113.35</i>	<i>9.16</i>
IV. Fair value of Plan Assets				
1	Plan assets at the beginning of the year	174.13	-	-
		<i>173.45</i>	-	-
2	Interest income	11.04	-	-
		<i>12.92</i>	-	-
3	Contributions by Employer	25.00	-	-
		<i>0.80</i>	-	-
4	Actual benefits paid	-	-	-
		<i>(18.77)</i>	-	-
5	Actuarial gains/(losses) arising from changes in financial assumptions	4.12	-	-
		<i>5.73</i>	-	-
6	Plan assets at the end of the year	214.29	-	-
		<i>174.13</i>	-	-
V. Weighted Average duration of Defined Benefit Obligation		10 Years	10 Years	NA
		<i>10 Years</i>	<i>10 Years</i>	<i>NA</i>

(Figures in italics pertain to previous year)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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, 2020

Particulars	Gratuity – Funded		Gratuity – Unfunded		PEMB	
	Increase Decrease		Increase Decrease		Increase Decrease	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14.58)	17.07	(7.85)	9.11	-	-
Future salary growth (1% movement)	16.39	(14.54)	8.07	(7.68)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	-	-

₹ Crore

Sensitivity Analysis as at December 31, 2019

Particulars	Gratuity – Funded		Gratuity – Unfunded		PEMB	
	Increase Decrease		Increase Decrease		Increase Decrease	
	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)

₹ Crore

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	
	As at December 31, 2020	As at December 31, 2019
Debt instruments		
Government securities	63%	60%
Debentures and bonds	32%	33%
Equity shares	3%	4%
Cash and cash equivalents		
Fixed deposits	2%	3%
	100%	100%

Notes to the Consolidated Financial Statements

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VIII. Actuarial Assumptions

Particulars	As at December 31, 2020	As at December 31, 2019
a) Financial assumptions		
1 Discount rate	6.25%	6.80%
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 (2012-14) (Modified) Ultimate
5 Mortality post-retirement	NA	Mortality for annuitants LIC (1996-98) Ultimate
6 Medical premium inflation	NA	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:

Particulars	₹ Crore					
	Funded Gratuity		Unfunded Gratuity		PEMB	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
1. Expected employer contribution in the next year	-	-	-	-	-	-
2. Expected benefit payments						
Year 1	27.60	23.54	7.49	9.43	-	0.96
Year 2	27.86	22.98	9.03	9.85	-	0.98
Year 3	24.56	24.87	9.50	10.69	-	1.00
Year 4	24.87	22.45	9.02	11.88	-	1.03
Year 5	21.52	22.79	10.40	10.90	-	1.02
Next 5 years	78.30	77.87	39.90	47.33	-	4.85
Total expected payments	204.71	194.50	85.34	100.08	-	9.84

- 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 ₹17.14 Crore (Previous year – ₹17.87 Crore). Following are the actuarial assumptions used for valuation of Other Long-term employee benefits.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

Actuarial Assumptions	As at December 31, 2020	As at December 31, 2019
a) Financial Assumptions		
1 Discount rate	6.25%	6.80%
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 (2012-14) (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.

Defined benefit plans as per actuarial valuation on December 31, 2020

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
	₹ Crore	
I. Components of expense recognised in the Consolidated Statement of Profit and Loss		
1 Current service cost	27.15	25.64
2 Current interest cost	3.76	-
3 Total expense	30.91	25.64
Components recognised in other comprehensive income (OCI)		
4 Actuarial (gains)/losses arising from changes in financial assumptions on Liability	(0.93)	12.72
5 Actuarial (gains)/losses arising from changes in financial assumptions on Plan Assets	5.39	42.49
6 Sub-total – Included in OCI	4.46	55.21
7 Total expense (3 + 6)	35.37	80.85
II. Amount recognised in Consolidated Balance Sheet		
1 Present value of Defined Benefit Obligation	(848.58)	(820.64)
2 Fair value of plan assets	782.27	765.39
3 Funded status {Surplus/(Deficit)}	(66.31)	(55.25)
4 Net asset/(liability) as at end of the year*	(66.31)	(55.25)
III. Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	820.64	729.68

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

₹ Crore

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
2 Current service cost	27.15	25.64
3 Interest cost	70.88	62.66
4 Employee Contributions	73.92	63.32
5 Actuarial (gains)/losses arising from changes in financial assumptions	15.38	-
6 Actuarial (gains)/losses arising from experience adjustments	(16.31)	12.72
7 Benefits Payments	(154.74)	(82.35)
8 Increase/(Decrease) due to effect of any transfers	11.66	8.97
9 Present value of Defined Benefit Obligation at the end of the year	848.58	820.64
IV. Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	765.39	729.65
2 Interest income	67.12	62.66
3 Contributions by Employer	24.31	25.64
4 Contributions by Employee	73.92	63.32
5 Actual benefits paid	(154.74)	(82.35)
6 Net transfer in/(out)	11.66	8.97
7 Actuarial gains/(losses) arising from changes in financial assumptions	(5.39)	(42.50)
8 Plan assets at the end of the year	782.27	765.39
V. Weighted Average duration of Defined Benefit Obligation	10 years	10 years

* 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 previous 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.

VI. The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2020	As at December 31, 2019
Debt instruments		
Government securities	57%	29%
Debentures and bonds	9%	68%
Equity instruments	12%	3%
Cash and Cash equivalent	22%	-
	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, 2020	As at December 31, 2019
Discounting rate	6.25%	6.80%
Guaranteed interest rate	8.50%	8.65%
Yield on assets based on the Purchase price and outstanding term of maturity	8.10%	8.60%

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

VIII. Sensitivity analysis for factors mentioned in Actuarial Assumptions

Particulars	As at December 31, 2020		As at December 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.45)	5.30	(2.43)	1.45
Interest rate guarantee (1% movement)	56.54	(29.37)	42.20	(19.18)

₹ Crore

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 ₹25.00 Crore (*Previous year – ₹27.00 Crore*) to trust managed Provident Fund in the next year.

NOTE 40: LEASES

Refer Note 1 (xxiii) for accounting policy on Leases

(I) Transition Disclosures for Ind AS 116

The Group has adopted Ind AS 116 effective January 1, 2020, using 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, are recognised at the present value of the remaining lease payments starting January 1, 2020, and discounted with the incremental borrowing rate as of that date. Furthermore, the Group has chosen the option whereby the right-of-use asset is equal to the lease liability at the initial application of Ind AS 116.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Excluded the initial direct costs from the measurement of the Right of use assets (ROU) at the date of initial application.
3. The Group has relied on its previous assessment on whether leases are onerous. There were no onerous contracts as at January 1, 2020
4. The Group has not re-assessed whether a contract is or contains a lease at the date of initial application. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

- (II) The weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of January 1, 2020 is based on the Group's Portfolio of leases and equals 8.50 percent.

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- (III) Reconciliation of undiscounted operating lease commitments as of December 31, 2019 to the recognised lease liability as of January 1, 2020

	₹ Crore
Operating lease commitments as of December 31, 2019	174.61
Exemption of commitments for short-term leases	(5.98)
Exemption of commitments for leases of low value assets	(0.04)
Undiscounted future lease payments from operating leases	168.59
Effect of discounting	(36.98)
Lease liabilities as of January 1, 2020	131.61

The Group recognised ROU assets for the following assets categories:

	₹ Crore		
Right of Use Assets Category	Cement	Ready Mix Concrete	Total
Lease hold Land	0.03	69.66	69.69
Buildings	4.89	0.14	5.03
Plant and Equipment	-	56.45	56.45
Vehicles	0.44	-	0.44
Total	5.36	126.25	131.61

- (IV) The effect of implementing Standard in the Statement of Profit and Loss is as under:

- Other expenses are lower by ₹32.05 Crore.
 - Depreciation and Amortisation expenses is higher by ₹26.83 Crore.
 - Finance costs are higher by ₹9.80 Crore.
- (V) The Group has entered into long-term leasing arrangements for land which are 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. The Group has reclassified these assets from Property, Plant and Equipment to Right of use assets pursuant to adoption of Ind AS 116.

	₹ Crore		
	As at January 1, 2020		
Particulars	Gross Carrying Value	Accumulated depreciation	Net Carrying Value
Leasehold Land	39.47	1.86	37.61

Disclosure for the year ended December 31, 2020 as per Ind AS 116:

Group as lessee

The Group's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, Plant and Equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

- (VI) The operating cash flows for the year ended December 31, 2020 has increased by ₹24.59 Crore and the financing cash flows have decreased by ₹24.59 Crore as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.
- (VII) As at December 31, 2020, commitments for leases not yet commenced is ₹37.80 Crore towards leasehold land for a lease term of 30 years.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(VIII) The movement in lease liabilities during the year ended December 31, 2020 is as follows :

Particulars	₹ Crore
	As at December 31, 2020
Balance at the January 1, 2020	131.61
Additions During the Year	8.20
Finance cost accrued during the period	9.80
Lease Modification	(7.46)
Payment of lease liabilities	(24.59)
Termination of Lease contracts	(15.08)
Balance at December 31, 2020	102.48
Current lease liabilities	18.50
Non-current lease liabilities	83.98

(IX) The maturity analysis of lease liabilities are disclosed in Note 51 (ii) – Liquidity risk

(X) Lease Expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:

Particulars	₹ Crore
	For the year ended December 31, 2020
Expense relating to short-term leases	48.98
Expense relating to leases low- value assets	0.04
Expense in respect of variable lease payments	28.40
	72.42

Operating Lease Disclosures under earlier Ind AS 17

Refer Note 1 (XXIII) for accounting policy on Leases.

Operating lease commitments — Group as lessee

Operating lease payment of ₹133.28 Crore recognised in the Statement of Profit and Loss for the year ended December 31, 2019.

Future minimum rental payables under non-cancellable operating leases are as follows:

Particulars	₹ Crore
	As at December 31, 2019
(i) Not later than one year	35.00
(ii) Later than one year and not later than five years	98.81
(iii) Later than five years	40.80
	174.61

NOTE 41: CAPITAL AND OTHER COMMITMENTS

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

		₹ Crore
	As at December 31, 2020	As at December 31, 2019
A) Estimated value of contracts on capital account remaining to be executed (Net of advance)	1,074.26	460.97

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

	As at December 31, 2020	As at December 31, 2019
B) For commitments relating to lease arrangements, Refer Note – 40		

NOTE 42: 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:

		As at December 31, 2020	As at December 31, 2019
			₹ Crore
Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2020	As at December 31, 2019
Competition Act, 2002	CCI matter – Refer Notes a & b below	1,749.85	1,619.39
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts Refer Notes e below	604.44	598.00
Service Tax – The Finance Act, 1994	Refer Note c below	90.98	90.88
Claims for mining lease rent	Refer Note d below	212.22	212.22
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	9.65
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	35.89
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court.	9.80	9.80
	Various other cases pertaining to claims related to Railways, labour laws, etc	16.08	13.98
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. (Refer Note – 57)	-	19.87
	Demand of additional Royalty on Limestone based on cement produced vis-à-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
	Total	2,788.33	2,670.09

In respect of above matters, future cash outflows are determinable only on receipt of judgements 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

- 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 Section 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, 2020 is ₹566.94 Crore (*Previous Year – ₹436.48 Crore*). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgements dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgement of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 5, 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 1, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s Ultratech Cement (Chhattisgarh 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 1, 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 Central Board of Indirect Taxes and Customs (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 1.4.1997 to 31.3.2014 and 1.4.2014 to 31.3.2019, 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

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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 judgement 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 Judgement 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.

- e) The Group 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 Group had received one favourable order from the Assessing Officer in the year 2017.

During the year 2018, the matter was 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, 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.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the year 2018 in respect of excise incentives for two years. In the previous year, the ITAT had directed the Assessing Officer to re-examine and take final decision independently.

Pending final closure of this matter, tax amount of ₹500.63 Crore (*Previous year – ₹500.63 Crore*) along with interest payable of ₹103.81 Crore (*Previous year – ₹97.37 Crore*) has been disclosed under contingent liabilities.

NOTE 43: 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 judgement 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 modernisation 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 disbursements

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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.

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On January 2, 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 up to 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 up to March 2030 permitting the Company to commence mining operations after depositing ₹48 Crore, being assessed value of materials dispatched between April 2014 to September 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 44. 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 Holcim Services (South Asia) Limited	Fellow Subsidiary
5 Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
6 Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
7 Holcim Technology Ltd, Switzerland	Fellow Subsidiary
8 LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
9 LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
10 LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
11 Lafarge SA, France	Fellow Subsidiary
12 LH Global Hub Services Private Limited	Fellow Subsidiary
13 Lafarge International Services Singapore Pte Ltd	Fellow Subsidiary
14 PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (up to January 31, 2019)
15 Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16 Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
17 The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18 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).

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(b) Name of the Related Parties:

	Nature of Relationship
1 Mr Neeraj Akhoury	Managing Director & CEO (up to February 20, 2020) Additional Director (w.e.f. February 21, 2020) Non-executive/Non-independent Director (w.e.f. July 6, 2020)
2 Mr Sridhar Balakrishnan	Managing Director & CEO (w.e.f. February 21, 2020)
3 Mr Sunil K. Nayak	Chief Financial Officer (up to July 31, 2019)
4 Ms Rajani Kesari	Chief Financial Officer (w.e.f. August 1, 2019 and up to August 31, 2020)
5 Mr Yatin Malhotra	Chief Financial Officer (w.e.f. September 1, 2020)
6 Mr Ramaswami Kalidas	Company Secretary (up to September 26, 2019)
7 Mr Rajiv Choubey	Company Secretary (w.e.f. September 26, 2019)
8 Mr N. S. Sekhsaria	Chairman, Non-executive/Non-independent Director
9 Mr Jan Jenisch	Deputy Chairman, Non-executive/Non-independent Director
10 Mr Martin Krieger	Non-executive/Non-independent Director
11 Mr Shailesh Haribhakti	Independent Director
12 Mr Sushil Kumar Roongta	Independent Director
13 Mr Ashwin Dani	Independent Director (up to March 22, 2019)
14 Mr Farrokh K Kavarana	Independent Director (up to March 22, 2019)
15 Mr Vijay Kumar Sharma	Non-independent Director (up to July 20, 2020)
16 Mr Arunkumar R Gandhi	Independent Director (up to March 22, 2019)
17 Ms Falguni Nayar	Independent Director
18 Mr Christof Hassig	Non-executive/Non-independent Director (up to February 20, 2020)
19 Mr Damodarannair Sundaram	Independent Director (w.e.f. March 22, 2019)
20 Mr Vinayak Chatterjee	Independent Director (w.e.f. March 22, 2019)
21 Mr Sunil Mehta	Independent Director (w.e.f. March 22, 2019)
22 Mr M. R. Kumar	Non-independent Director (w.e.f. October 19, 2020)

(C) Transactions with Joint Venture Companies

	For the year ended December 31, 2020	For the year ended December 31, 2019
1 Purchase of Finished Goods	86.59	100.86
Aakaash Manufacturing Company Private Limited {Refer Note 48 (ii)}	86.59	100.86
2 Sale of Finished Goods	8.00	12.52
Aakaash Manufacturing Company Private Limited	8.00	12.52
3 Receiving of Services	17.44	27.15
OneIndia BSC Private Limited	17.44	27.15
4 Dividend Received	-	1.32
Aakaash Manufacturing Company Private Limited	-	1.32
5 Reimbursement of Expenses Paid/Payable	1.22	-
Aakaash Manufacturing Company Private Limited	1.22	-
6 Reimbursement of Expenses Received/Receivable	-	0.02
Aakaash Manufacturing Company Private Limited	-	0.02
7 Other recoveries (Net)	-	2.80
Aakaash Manufacturing Company Private Limited	-	2.80

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Outstanding balances with Joint venture Companies

		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
1	Outstanding balance included in Trade receivables	1.59	0.96
	Aakaash Manufacturing Company Private Limited	1.59	0.96
2	Outstanding balance included in Trade payables	21.17	16.33
	Aakaash Manufacturing Company Private Limited	20.64	14.06
	OneIndia BSC Private Limited	0.53	2.27

(D) Transactions with Associate Companies

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
1	Purchase of Finished Goods	47.77	68.46
	Alcon Cement Company Private Limited {Refer Note – 48 (i)}	47.77	68.46
2	Purchase of Raw Materials	4.87	11.19
	Asian Concretes and Cements Private Limited	4.87	11.19
3	Sale of Unfinished Goods	15.68	20.78
	Alcon Cement Company Private Limited {Refer Note – 48 (i)}	14.18	20.78
	Asian Fine Cement Private Limited	1.50	-
4	Dividend Received	0.29	0.37
	Alcon Cement Company Private Limited	0.29	0.37
5	Receiving of Services	62.10	107.60
	Asian Concretes and Cements Private Limited	62.10	107.60
6	Reimbursement of Expenses Received/Receivable	11.24	13.47
	Alcon Cement Company Private Limited	11.24	13.47
7	Reimbursement of Expenses Paid/Payable	2.38	2.22
	Alcon Cement Company Private Limited	0.14	1.67
	Asian Concretes and Cements Private Limited	2.24	0.55

Outstanding balances with Associate Companies

		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
1	Outstanding balance included in Trade receivables	6.39	6.81
	Alcon Cement Company Private Limited	6.39	6.81
2	Outstanding balance included in Trade payables	12.75	17.80
	Asian Concretes and Cements Private Limited	6.16	14.69
	Alcon Cement Company Private Limited	6.09	3.11
	Asian Fine Cement Private Limited	0.50	-

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for the year ended December 31, 2020

(E) Details of Transactions relating to Ultimate Holding and Holding Companies

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
1	Dividend paid	143.36	143.36
	Ambuja Cements Limited	131.58	131.58
	Holderind Investments Limited	11.78	11.78
2	Purchase of Raw materials	15.83	0.80
	Ambuja Cements Limited	15.83	0.80
3	Purchase of Finished/Unfinished goods	498.37	112.87
	Ambuja Cements Limited	498.37	112.87
4	Purchase of Stores & Spares	1.75	0.44
	Ambuja Cements Limited	1.75	0.44
5	Purchase of Property, Plant and Equipments	1.28	-
	Ambuja Cements Limited	1.28	-
6	Sale of Finished/Unfinished Goods	220.25	101.39
	Ambuja Cements Limited	220.25	101.39
7	Sale of Raw Material	1.76	1.44
	Ambuja Cements Limited	1.76	1.44
8	Sale of Stores & Spares	0.36	1.17
	Ambuja Cements Limited	0.36	1.17
9	Sale of Scrap	-	0.11
	Ambuja Cements Limited	-	0.11
10	Sale of Property, Plant and Equipments	0.72	-
	Ambuja Cements Limited	0.72	-
11	Rendering of Services	53.44	42.46
	Ambuja Cements Limited	53.44	42.46
12	Receiving of Services	39.58	32.71
	Ambuja Cements Limited	39.58	32.71
13	Reimbursement of Expenses Received/Receivable	0.06	0.04
	Ambuja Cements Limited	0.06	0.01
	LafargeHolcim Ltd	-	0.03
14	Reimbursement of Expenses Paid/Payable	1.45	9.74
	Ambuja Cements Limited	1.45	9.74

Outstanding balances with Ultimate Holding and Holding Companies

		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
1	Outstanding balance included in Trade receivables	24.36	29.05
	Ambuja Cements Limited	24.36	29.02
	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	68.11	43.72
	Ambuja Cements Limited	68.11	43.72

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(F) Details of Transactions relating to Fellow Subsidiary Companies/Joint Venture of Holding Company

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
1	Purchase of Raw materials	210.25	238.94
	LafargeHolcim Energy Solutions SAS	210.04	237.84
	Counto Microfine Products Private Limited	0.21	1.10
2	Sale of Finished/Unfinished Goods	0.03	0.11
	Counto Microfine Products Private Limited	0.03	0.11
3	Technology and Know-how fees	132.79	152.33
	Holcim Technology Ltd	132.79	152.33
4	Receiving of Services	64.54	64.76
	Holcim Services (South Asia) Limited	52.43	59.53
	Holcim Group Services Ltd	-	0.33
	Lafarge SA	0.66	2.79
	Holcim Technology Ltd	0.37	2.11
	LH Global Hub Services Private Limited	11.08	-
5	Rendering of Services	11.05	11.05
	Holcim Services (South Asia) Limited	9.63	9.33
	Lafarge SA	0.79	1.72
	Holcim Technology Ltd	0.63	-
6	Expense recognised in respect of doubtful debts*	1.73	-
	Holcim Technology Ltd	1.45	-
	LafargeHolcim Trading Pte Ltd	0.13	-
	PT Holcim Indonesia Tbk	0.15	-
7	Reimbursement of Expenses Paid/Payable	1.77	-
	LafargeHolcim Energy Solutions SAS	0.27	-
	Lafarge International Services Singapore Pte Ltd	1.47	-
	Holcim Group Services Ltd	0.03	-
8	Reimbursement of Expenses Received/Receivable	1.48	2.69
	LafargeHolcim Energy Solutions SAS	0.51	0.76
	LafargeHolcim Trading Pte Ltd	-	1.92
	Holcim Technology Ltd	0.78	0.01
	LH Global Hub Services Private Limited	0.19	-

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

Outstanding balances with Fellow Subsidiary Companies/Joint Venture of Holding Company

		₹ Crore	
		As at December 31, 2020	As at December 31, 2019
1	Outstanding balance included in Trade receivables	5.23	11.89
	Holcim Services (South Asia) Limited	4.78	5.93
	Lafarge SA	0.03	2.22
	Holcim Technology Ltd	0.21	3.37
	PT Holcim Indonesia Tbk	-	0.15
	Lafarge Holcim Trading Pte Limited	-	0.13
	Counto Microfine Product Pvt Ltd	-	0.06
	Holcim Cement (Bangladesh) Ltd	-	0.01
	LafargeHolcim Bangladesh Ltd	0.02	0.02
	LH Global Hub Services Private Limited	0.19	-
2	Outstanding balance included in Trade payables	38.88	49.84
	LafargeHolcim Energy Solutions SAS	1.93	5.14
	Holcim Technology Ltd	29.91	34.54
	Counto Microfine Products Private Limited	0.04	0.20
	Holcim Services (South Asia) Limited	5.33	9.92
	Holcim Group Services Ltd	0.03	0.04
	Lafarge SA	0.17	-
	Lafarge International Services Singapore Pte Ltd	1.47	-

(G) Details of Transactions with Key Management Personnel

		₹ Crore	
		For the year ended December 31, 2020	For the year ended December 31, 2019
1	Remuneration**	16.44	13.56
	Mr Neeraj Akhoury	6.15	8.90
	Mr Sridhar Balakrishnan	3.32	-
	Mr Sunil K. Nayak	-	1.95
	Mr Ramaswami Kalidas	-	0.84
	Ms Rajani Kesari	4.10	1.49
	Mr Rajiv Choubey	2.27	0.38
	Mr Yatin Malhotra	0.60	-
	Breakup of Remuneration	16.44	13.56
	Short-term employee benefits	15.83	12.53
	Post employment benefits (including defined contribution and defined benefits)**	0.35	0.86
	Other long-term benefits**	-	-
	Employee share based payments (Refer Note – 56)	0.26	0.17
2	Other Payment to Key Management Personnel		
	Commission Payable	2.97	3.19
	Mr N. S. Sekhsaria	0.50	0.50
	Mr Martin Kriegner#	-	-
	Mr Shailesh Haribhakti	0.36	0.36
	Mr Sushil Kumar Roongta	0.36	0.36
	Mr Vijay Kumar Sharma	0.11	0.20
	Mr Jan Jenisch	0.20	0.20

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(G) Details of Transactions with Key Management Personnel (Cont..)

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Ms Falguni Nayar	0.20	0.20
Mr Christof Hassig	0.03	0.20
Mr Sunil Mehta	0.36	0.28
Mr Damodarannair Sundaram	0.45	0.35
Mr Vinayak Chatterjee	0.36	0.28
Mr M. R. Kumar	0.04	-
Mr Arunkumar Gandhi	-	0.10
Mr Ashwin Dani	-	0.08
Mr Farrokh Kavarana	-	0.08
Mr Neeraj Akhoury	-	-
Sitting Fees	0.78	0.47
Mr N. S. Sekhsaria	0.07	0.04
Mr Martin Krieger#	-	-
Mr Shailesh Haribhakti	0.11	0.07
Mr Sushil Kumar Roongta	0.11	0.09
Mr Vijay Kumar Sharma	0.03	0.03
Mr Jan Jenisch	0.02	0.01
Ms Falguni Nayar	0.06	0.03
Mr Christof Hassig	0.01	0.02
Mr Sunil Mehta	0.12	0.04
Mr Damodarannair Sundaram	0.12	0.05
Mr Vinayak Chatterjee	0.12	0.05
Mr M. R. Kumar	0.01	-
Mr Arunkumar Gandhi	-	0.01
Mr Ashwin Dani	-	0.01
Mr Farrokh Kavarana	-	0.02
Mr Neeraj Akhoury#	-	-

* Reimbursements and cost sharing expenses receivable from the Group companies written off.

** 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.

Waived their right to receive Directors' commission and sitting fees.

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 ₹24.31 Crore (Previous year – ₹25.64 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 ₹25.00 Crore (Previous year – ₹0.80 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 45: 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 organisation 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.

Information about primary business segments

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
REVENUE						
External sales	12,531.41	13,870.08	955.42	1,473.03	13,486.83	15,343.11
Inter-segment sales	126.76	190.23	2.49	1.58	129.25	191.81
Other operating revenue	295.50	306.50	3.65	7.94	299.15	314.44
	12,953.67	14,366.81	961.56	1,482.55	13,915.23	15,849.36
Less: Elimination	126.76	190.23	2.49	1.58	129.25	191.81
Total revenue	12,826.91	14,176.58	959.07	1,480.97	13,785.98	15,657.55
Operating EBITDA	2,295.03	2,259.62	60.08	153.16	2,355.11	2,412.78
Segment result	1,707.48	1,703.52	13.51	133.21	1,720.99	1,836.73
Unallocated corporate Income net of unallocated expenditure					26.56	18.55
Operating Profit					1,747.55	1,855.28
Finance costs					(57.08)	(86.27)
Interest and dividend income					185.46	269.49
Share of profit from associates and Joint ventures					8.93	14.02
Exceptional item (Refer Note – 2 (3))					(176.01)	-
Tax expenses (Refer Note – 22)					(278.59)	(674.98)
Profit after tax					1,430.26	1,377.54

₹ Crore

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

₹ Crore

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
Capital expenditure (including capital work-in-progress and capital advances)	702.21	498.26	17.32	27.44	719.53	525.70
Depreciation and amortisation	592.26	587.51	46.58	18.93	638.84	606.44
Other non-cash expenses						
Impairment losses	176.01	-	-	-	176.01	-
Expected credit loss on Incentives under Government schemes	128.92	-	-	-	128.92	-
Others	18.39	11.10	32.05	18.37	50.44	29.47

₹ Crore

	Cement		Ready Mix Concrete		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Segment assets	10,546.28	10,979.56	447.99	470.27	10,994.27	11,449.83
Unallocated corporate assets					7,205.96	5,686.15
Total assets					18,200.23	17,135.98
Segment liabilities	3,915.48	3,806.50	416.54	355.15	4,332.02	4,161.65
Unallocated corporate liabilities					1,165.84	1,427.40
Total liabilities					5,497.86	5,589.05

₹ Crore

	For the year ended December 31, 2020	For the year ended December 31, 2019
Sales from external customer		
Within India	13,482.07	15,341.39
Outside India *	4.76	1.72
Total	13,486.83	15,343.11

No single customer contributed 10% or more to the Group's revenue for the year ended December 31, 2020 and December 31, 2019.

* 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, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Net Cash flow from operating activities	3,071.36	2,890.14	11.96	17.00	(864.13)	(652.43)	2,219.19	2,254.71
Net cash used in investing activities	(735.32)	(467.23)	(12.53)	(27.68)	212.70	173.25	(535.15)	(321.66)
Net cash used in financing activities	(1.80)	-	(22.79)	-	(302.77)	(374.16)	(327.36)	(374.16)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 46:

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, 2020	As at December 31, 2019
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)	6.30	11.27
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 47:

- (i) 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 judgement 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 judgement on March 9, 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 re-imbursement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.
- (ii) The Group has investment of ₹2.50 Crore (*Previous year – ₹2.50 Crore*) in equity shares of OneIndia BSC Private Limited ('BSC'), joint venture of ACC Limited. BSC is engaged in the business of providing business shared services. The Master service agreement (MSA) for these services was entered for a period of 5 years ending December 31, 2020. The MSA agreement is not renewed. Accordingly, the financial statements of BSC for the year ended December 31, 2020 has not been prepared on going concern basis. BSC is currently not under liquidation. The management believes that amount of investment in BSC is recoverable and no impairment is necessary given the positive net worth of ₹13.09 Crore and net current assets value of ₹9.59 Crore as at December 31, 2020.

NOTE 48:

- (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 ₹11.08 Crore (*Previous year – ₹16.24 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 – 40)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

- (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 ₹73.18 Crore (*Previous year – ₹85.34 Crore*) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTE 49: CAPITALISATION OF EXPENDITURE

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment / Capital work in progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

	₹ Crore	
	2020	2019
Balance at the beginning of the year	17.53	4.99
Expenditure during construction for projects:		
Employee benefits expense*	23.43	11.68
Rates and taxes **	0.80	1.86
Power and fuel**	0.56	-
Miscellaneous expenses **	2.02	-
Total	44.34	18.53
Less: Capitalised during the year	5.25	1.00
Balance at the end of the year	39.09	17.53

* Employee benefits expense represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.

** Miscellaneous expense, power and fuel 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 the management.

NOTE 50: FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

		₹ Crore	
Particulars	Note No.	Carrying value	
		As at December 31, 2020	As at December 31, 2019
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Investment in Unquoted equity shares	6	4.50	-
Cash and cash equivalents – Mutual funds	12	615.63	757.51
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	250.00	1,492.98
Other Cash and cash equivalents (Balances with banks)	12	4,983.73	2,242.04
Bank balances other than Cash and Cash Equivalents	13	156.34	155.20
Investments in Bonds	6	3.70	3.70
Security deposits (Current and Non-current)	7 & 14	177.53	154.10
Loans and Other financial assets (Current and Non-current)	7, 8, 14 & 15	929.35	898.92
Trade receivables	11	451.41	626.65
3. Measured at fair value through Other Comprehensive Income		-	-
Total		7,572.19	6,331.10

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

Particulars	Note No.	₹ Crore	
		Carrying value	
		As at December 31, 2020	As at December 31, 2019
Financial liabilities			
1. Measured at FVTPL			
Foreign currency forward contract	23	0.28	-
2. Measured at amortised cost			
Trade payables		1,422.23	1,474.98
Security deposits and retention money	23	801.90	711.49
Lease Liabilities	20 & 23	102.48	-
Other financial liabilities	23	207.68	226.01
Total		2,534.57	2,412.48

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:

Particulars	₹ Crore	
	For the Year ended December 31, 2020	For the Year ended December 31, 2019
Financial assets measured at amortised cost		
Interest income	(185.44)	(169.98)
Impairment losses on trade receivables (including reversals of impairment losses)	37.34	21.51
Expected credit loss on Incentives under Government schemes	128.92	-
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(15.83)	(21.64)
Net gain on fair valuation of current financial assets	(0.16)	(0.43)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	1.74	4.46
Interest expenses on deposits from dealers	17.14	33.45
Interest expenses on lease liabilities	9.80	-
Derivatives – Foreign exchange forward contracts		
Net (gain)/loss on foreign currency forward contract	0.59	(0.94)
Net gain recognised in the Consolidated Statement of Profit and Loss	(5.90)	(133.57)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(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, 2020				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	4.50	4.50
Cash and cash equivalents – Mutual funds	615.63	-	-	615.63
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	0.28	-	0.28
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	-	-	-	-

During the reporting period ending December 31, 2020 and December 31, 2019, there was no transfer between level 1 and level 2 fair value measurement.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

The following methods and assumptions were used to estimate the fair values:

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.

Level 3: Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range

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 51: 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 minimise 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 minimise 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	<ol style="list-style-type: none"> 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, lease liabilities and other financial liabilities	Maturity analysis	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Fuel mix optimisation 2. Longer term contracts
Market Risk – Interest rate risk	Security deposit from dealers	Sensitivity analysis	<ol style="list-style-type: none"> 1. Periodical reset of interest rate linked to market

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(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 its 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.

Incentives receivable from the Government

The Company's manufacturing units in various states; mainly those in Maharashtra and Jharkhand are eligible for incentives under the respective State Industrial Policy. The Company accrued these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Company and there was reasonable assurance that the incentive claims will be disbursed by the State Governments.

During the current year, in view of the management re-assessing the expected recovery period for incentives receivables, a charge of ₹128.92 Crore due to time value of money computed based on the expected credit loss method is included in Other Expenses.

The Company is confident about the ultimate realisation of the dues from the State Governments and there is no risk of default.

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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

	As at December 31, 2020	₹ Crore As at December 31, 2019
Neither past due nor impaired	221.21	219.47
Past due not impaired		
- 1-180 days	214.63	375.02
- more than 180 days	15.56	32.16
Past due impaired		
- 1-180 days	1.18	1.96
- more than 180 days	66.12	39.17
Total	518.70	667.78

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 summarises the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	₹ Crore
As at January 1, 2019	24.65
Provided during the year	22.75
Amounts utilised	(5.03)
Reversals of Provision	(1.24)
As at December 31, 2019	41.13
Provided during the year	39.64
Amounts utilised	(11.18)
Reversals of Provision	(2.30)
As at December 31, 2020	67.29

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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

(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	1 - 5 Years	More than 5 years	Total
As at December 31, 2020					
Other financial liabilities*	1,009.58	1,030.06	-	-	1,030.06
Lease Liabilities	102.48	26.10	76.18	29.15	131.43
Foreign currency forward contract	0.28	0.28	-	-	0.28
Trade payables	1,422.23	1,422.23	-	-	1,422.23
	2,534.57	2,478.67	76.18	29.15	2,584.00

	₹ Crore				
	Carrying amount	Less than 1 year	1 - 5 Years	More than 5 years	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

*Other financial liabilities includes deposits received from customers amounting to ₹706.63 Crore (Previous year – ₹641.59 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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, 2020				
	USD	EUR	CHF	GBP
Trade Payable	5.19	6.33	0.11	0.01
Foreign exchange derivative contracts	(0.35)	-	-	-
Net exposure to foreign currency risk (liabilities)	4.84	6.33	0.11	0.01

							₹ Crore
As at December 31, 2020							
	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	

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
As at December 31, 2020			As at December 31, 2019			
Particulars	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹		
USD	0.21	(0.21)	0.20	(0.20)		
EUR	0.32	(0.32)	0.11	(0.11)		
CHF	0.01	(0.01)	-	-		
SEK	-	-	0.04	(0.04)		
TOTAL	0.54	(0.54)	0.35	(0.35)		

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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 optimise 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, 2020 would decrease/increase by ₹3.53 Crore (*Previous year – ₹3.18 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 52: 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, 2020	As at December 31, 2019
Total Debt		-	-
Less: Cash and cash equivalents	12	(5,849.36)	(4,492.53)
Net Debt		(5,849.36)	(4,492.53)
Equity attributable to owners of the parent	18 & 19	12,699.13	11,543.77
Debt to Equity (Net)		NA	NA

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 53:

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 comprehensive income	Amount ₹ Crore
	As at December 31, 2020	As at December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020
Parent								
ACC Limited	100.02	12,702.74	99.17	1,418.19	99.72	(14.54)	99.16	1,403.65
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.16	20.71	0.11	1.58	-	-	0.11	1.58
ACC Mineral Resources Limited	(0.29)	(37.40)	0.20	2.89	-	-	0.20	2.89
Lucky Minmat Limited	(0.27)	(34.17)	(0.03)	(0.49)	-	-	(0.03)	(0.49)
National Limestone Company Private Limited (Refer Note – 57)	-	-	(0.02)	(0.29)	-	-	(0.02)	(0.29)
Singhania Minerals Private Limited	(0.02)	(3.01)	(0.04)	(0.54)	-	-	(0.04)	(0.54)
Non-controlling interests in all subsidiaries	(0.03)	(3.24)	(0.01)	(0.08)	-	-	(0.01)	(0.08)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.06)	(8.03)	0.02	0.31	0.14	(0.02)	0.02	0.29
Asian Concretes and Cements Private Limited	0.41	51.84	0.60	8.60	-	-	0.61	8.60
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.03	3.81	(0.05)	(0.65)	-	-	(0.05)	(0.65)
Aakaash Manufacturing Company Private Limited	0.05	5.88	0.05	0.66	0.14	(0.02)	0.05	0.64
TOTAL	100.00	12,699.13	100.00	1,430.18	100.00	(14.58)	100.00	1,415.60

* 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, 2020.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

	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	1,354.79	99.50	(48.98)	98.32	1,305.81
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)
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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 54: DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2019 ₹ Nil per share (<i>Previous year – ₹14 per share for 2018</i>)	-	262.90
Interim dividend for the year ended December 31, 2019 ₹14 per share (<i>Previous year – ₹ Nil</i>)*	262.90	-
Dividend distribution tax on final dividend#	-	54.04
	262.90	316.94
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2020: ₹14 per share	262.90	-
Dividend for the year ended December 31, 2019: ₹14 per share*	-	262.90
	262.90	262.90

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at December 31.

* Subsequent to the year end, the Board of Directors decided to revoke the recommendation for payment of final dividend for the Financial Year ended December 31, 2019 and declared payment of interim dividend for the financial year ended December 31, 2019 at ₹14 per share.

Dividend Distribution Tax is abolished with effect from April 1, 2020.

NOTE 55: GOODWILL ON CONSOLIDATION

Movement in Goodwill on consolidation

	₹ Crore	
	As at December 31, 2020	As at December 31, 2019
Carrying amount as at beginning of the year	15.57	15.57
Derecognition in the view of divestment (Refer Note – 57)	(5.38)	-
Net carrying value as at end of the year	10.19	15.57

Goodwill of ₹10.19 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, 2020	As at December 31, 2019
Lucky Minmat Limited (LML)	6.42	6.42
National Limestone Company Private Limited (NLCPL)	-	5.38
Singhania Minerals Private Limited (SMPL)	3.28	3.28
Bulk Cement Corporation (India) Limited (BCCI)	0.49	0.49
TOTAL	10.19	15.57

Of the above CGUs, LML 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

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, 2020, 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%.
4. Weighted average cost of capital (WACC) of these Companies are estimated as 15.50%

The Group 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 56: 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.

7,800 (*Previous Year – 9,000*) performance shares at a fair value of ₹3,352 per share (*Previous year – ₹3405 per share*) were granted in 2020. 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, ₹2.66 Crore (*Previous 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.

Information related to awards granted through the Performance Share Plan is presented below:

	₹ Crore	
	For the year ended December 31, 2020	For the year ended December 31, 2019
As at January 1	9,000	-
Granted	7,800	9,000
Forfeited	(600)	-
Delivered	-	-
As at December 31	16,200	9,000

Fair value of shares granted is determined based on the estimated achievement of LafargeHolcim Earnings per Share, Return on Invested Capital and Sustainability indicators.

NOTE 57:

The Group divested 2,00,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated November 18, 2020. The Company has received the entire consideration amount of ₹20 Crore and the necessary instructions have been lodged with the depository to transfer the shares to the acquirer in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations. Further the Company's nominee directors stepped down from NLCPL Board allowing reconstitution of the Board by the acquirers. With the completion of the sale formalities and ceding of control, NLCPL has ceased to be the Company's subsidiary. The Company has, therefore, accounted for ₹12.91 Crore as profit arising from divestment.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2020

NOTE 58:

The Group successfully commissioned a new Grinding Unit with a cement capacity of 1.4 MTPA on January 2, 2021 at Sindri, in the State of Jharkhand which will further strengthen our positioning in the eastern region.

NOTE 59:

The Competition Commission of India (“CCI”) has initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behavior and conducted search and seizure operations in December 2020 against few companies. The Company is in the process of providing information sought. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company believes that this does not have any impact on the financial statements.

NOTE 60:

Risk due to outbreak of COVID-19 pandemic

The Group has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets.

The Group has used internal and external sources of information and expects that the carrying amount of these assets will be recovered.

NOTE 61:

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 62:

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

MARTIN KRIEGNER

Director
DIN: 00077715

SRIDHAR BALAKRISHNAN

Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM

Director
DIN: 00016304

YATIN MALHOTRA

Chief Financial Officer

NEERAJ AKHOURY

Director
DIN: 07419090

RAJIV CHOUBEY

Company Secretary
ACS: 13063

Mumbai, February 11, 2021

Consolidated Net Profit

for the year ended December 31, 2020

Particulars	₹ Crore	
	2020	2019
ACC's Net Profit	1,414.94	1,358.91
Add: Pro-rata share of profits/(losses) of subsidiaries –		
Bulk Cement Corporation (India) Limited (BCCI)	1.58	2.42
ACC Mineral Resources Limited	2.90	6.94
Lucky Minmat Limited	(0.50)	(0.48)
National Limestone Co Pvt Limited	1.64	(0.39)
Singhania Mineral Private Limited	(0.61)	0.05
	5.01	8.54
Add: Pro-rata share of profit of Joint ventures and Associates	8.93	14.02
Add: Gain on sale of investment in Subsidiary Company	6.91	-
Less: Minority Interest of Subsidiary (BCCI)	0.08	0.13
Less: Dividend received from Associates and Joint ventures	0.29	1.69
Less: Deferred tax on undistributed profit of Associates and Joint ventures	5.24	2.24
Profit attributable to Owners of the Company	1,430.18	1,377.41

Consolidated Equity

as at December 31, 2020

Particulars	₹ Crore	
	2020	2019
ACC's Equity	12,661.44	11,521.28
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 (BCCI)	59.32	57.74
ACC Mineral Resources Limited	84.56	81.66
Lucky Minmat Limited	(2.49)	(1.99)
National Limestone Co Pvt Limited*	-	0.06
Singhania Mineral Private Limited	(0.96)	(0.35)
	140.43	137.12
Less: Pro- rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies	3.24	3.16
ACC's share in pre-acquisition Net Worth of Subsidiary Companies	160.01	157.90
	(22.82)	(23.94)
Add: Increase in Net Worth of Alcon Cement Company Pvt Ltd	(8.03)	(8.03)
Add: Increase in Net Worth of Asian Concretes & Cements Pvt Ltd	51.84	43.24
Add: Increase in Net Worth of Aakaash Manufacturing Co Pvt Ltd	5.88	5.24
Add: Increase in Net Worth of OneIndia BSC Pvt Ltd	3.81	4.46
Less: Amortisation of Goodwill in Subsidiary Companies	33.12	43.85
Less: Unrealised profit on purchase of Fixed Assets	(0.53)	(0.53)
Less: Deferred tax on undistributed profit from Joint ventures and Associates	18.21	12.97
Less: Other adjustments (Net)	0.15	0.15
Consolidated Equity	12,699.13	11,543.77

* Divested in current year

Statement containing extract of subsidiaries financial statements

₹ Crore

Particulars	Balance Sheet as at December 31, 2020				
	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	26.95	-	-	1.31	0.18
Financial assets					
Loans	0.21	-	-	6.35	
Other financial assets	-	-	-	-	
Non-current tax assets (Net)	1.21	0.21	-	0.60	
Other non-current assets	0.33	-	-	0.12	-
Total Non-current assets	28.70	0.21	-	8.38	0.18
Current assets					
Inventories	0.80	-	-	-	-
Financial assets					
Trade receivables	2.24	-	-	-	-
Cash and cash equivalents	36.16	0.44	-	77.93	0.10
Loans	-	-	-	-	-
Other financial assets	0.02	-	-	0.15	
Other current assets	0.38	-	-	1.94	1.12
Total Current assets	39.60	0.44	-	80.02	1.22
TOTAL ASSETS	68.30	0.65	-	88.40	1.40
EQUITY AND LIABILITIES					
Equity					
Equity share capital	33.64	3.25	-	121.95	0.52
Other equity	25.68	(5.74)	-	(37.39)	(1.48)
Total Equity	59.32	(2.49)	-	84.56	(0.96)
Liabilities					
Non-current liabilities					
Provisions	-	-	-	-	1.26
Deferred tax liabilities (Net)	0.38	-	-	-	-
Total Non-current liabilities	0.38	-	-	-	1.26
Current liabilities					
Financial liabilities					
Borrowing	-	0.12	-	-	0.80
Trade payables	4.21	0.01	-	3.84	0.23
Other financial liabilities	2.45	-	-	-	0.07
Other current liabilities	1.84	3.01	-	-	-
Provisions	-	-	-	-	-
Current tax liabilities (Net)	0.10	-	-	-	-
Total Current liabilities	8.60	3.14	-	3.84	1.10
TOTAL EQUITY AND LIABILITIES	68.30	0.65	-	88.40	1.40

* During the year, the Company divested 100% stake in its wholly-owned subsidiary company National Limestone Company Private Limited.

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	-
Other financial assets	-	-	-	-	-
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
Provisions	-	-	-	-	-
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	Profit and Loss Account for the year ended December 31, 2020				
	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	18.48	-	-	-	-
Other income	1.10	0.01	2.06	3.16	-
Total Income	19.58	0.01	2.06	3.16	-
EXPENSES					
Cost of materials consumed	-	-	-	-	-
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	2.27	-	-	-	-
Freight and forwarding expense	1.32	-	-	-	-
Finance costs	-	0.01	0.12	-	0.11
Depreciation and amortisation expense	3.53	-	-	0.01	-
Other expenses	8.24	0.50	0.30	0.24	0.50
Total Expenses	17.50	0.51	0.42	0.25	0.61
Profit before tax	2.08	(0.50)	1.64	2.91	(0.61)
Tax expenses	0.50	-	-	0.01	-
Profit after tax	1.58	(0.50)	1.64	2.90	(0.61)

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 amortisation 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

Performance Table

Environment	Unit	2020	2019	2018
RAW MATERIALS-CEMENT				
Limestone	Million tonnes	21.4	26.8	24.9
Gypsum	Million tonnes	0.5	1.5*	1.2*
Synthetic Gypsum	Million tonnes	0.4		
Alternative raw material	Million tonnes	0.3	0.5	0.4
Slag	Million tonnes	2.8	2.8	3.2
Fly ash	Million tonnes	5.3	6.4	5.7
Limestone used as an additive	Million tonnes	0.4	NR	NR
Additives	Million tonnes	0.03	0.1	0.1
Others (Bauxite, Iron ore etc.)	Million tonnes	1.0	0.8	1.7
Lubricating oil (tonnes)	tonnes	261.0	268.5	471.0
Grease (tonnes)	tonnes	84.8	105.7	137.0
Weight of bags consumed	tonnes	33,794.8	38,969.2	36,374.7
% recycled materials used	%	27.6	24.8	25.0
<i>* Value is including synthetic gypsum</i>				
RAW MATERIALS-RMX				
Cement	tonnes	6,68,404	9,89,286	7,53,667
Slag	tonnes	35,053	76,401	75,726
Fly ash	tonnes	1,28,221	1,85,392	1,76,693
Sand	tonnes	3,62,741	5,64,213	20,82,169
Additives	tonnes	6,541	10,367	9,547
Aggregates	tonnes	24,34,512	36,89,929	29,42,832
Lubricating oil (tonnes)	tonnes	16.00	11.1	19.5
Grease (tonnes)	tonnes		8.5	8.2
Crushed rock fines	tonnes	14,50,963	22,56,850	15,00,000
CO₂ EMISSIONS-CEMENT				
Total CO ₂ Emissions - Gross (excl CPP)	tonnes	1,20,78,719	1,47,32,305	1,44,42,417
Total CO ₂ Emissions - Net (excl CPP)	tonnes	1,18,77,634	1,45,42,692	1,43,00,900
Total CO ₂ Emissions from CPP	Tonnes	17,72,925	22,29,574	23,35,729
Specific CO ₂ Emissions - gross	kg/tonne of cementitious material	501	518	511
Specific CO ₂ Emissions - net	kg/tonne of cementitious material	493	512	506
Scope 1 emissions cement (Including CPP)	tonnes	1,36,50,559	1,67,72,266	1,66,36,630
Scope 2 emissions cement	tonnes	6,01,750	5,56,073	5,34,401
Scope 3 emissions cement	tonnes	16,39,454*	5,91,171	6,66,259
<i>*This year we are reporting categories -1,3,4,6,7,9 whereas till last year it was only for category 4,6 and 9</i>				
CO₂ EMISSIONS-RMX				
Scope 1 emissions	tCO ₂	4,089	4,706.9	3,297.0
Scope 2 emissions	tCO ₂	6,160	4,831.3	4,932.0
Scope 3 emissions	tCO ₂	41,017*	58,915.0	43,878.0
<i>* only include category 4 and 9. Catgeory 6 is already included in Cement.</i>				
OVERALL CO₂ REDUCTION ACHIEVED (SCOPE-1 &2)				
On account of thermal savings ⁽¹⁾	tCO ₂	-32,508	0.0	4,067
On account of electrical savings ⁽²⁾	tCO ₂	0	-26,822	88,464
On account of clinker factor improvement ⁽³⁾	tCO ₂	-2,63,609	1,24,322	3,97,293

Note:

(1) CO₂ emission reductions on account of thermal energy is calculated value.

(2) CM Emission Factor (CO₂ Baseline Database for the Indian Power Sector – V 13 – June 2018 – by Central Electricity Authority) was used for calculating the CO₂ emissions on account of electrical savings.

(3) CO₂ emission reductions on account of clinker factor improvement is calculated by multiplfyoing amount of clinker saved with Kg CO₂ / Tonne of Clinker

Performance Table

Environment	Unit	2020	2019	2018
EMISSIONS*				
NOx	g/t clinker	1,036.2	1,293.4	1,718.1
	g/t cement	634.9	816.6	1,051.3
	t	15,082.1	22,759.4	29,810.3
SOx	g/t clinker	134.5	101.7	127.7
	g/t cement	82.4	64.2	78.2
	t	1,957.7	1,789.8	2,216.1
Dust	g/t clinker	20.1	26.8	28.5
	g/t cement	12.3	16.9	17.4
	t	293.0	472.0	494.3

* The emissions reported are based on Kiln stacks only

ENERGY CONSUMPTION-CEMENT

KILN FUEL CONSUMPTION

Coal + petcoke	TJ	42,013.0	52,525.8	51,417.0
Diesel oil	TJ	36.0	44.7	62.0
Alternative fossil and mixed fuels*	TJ	2,458.0	2,329.9	1,744.0
Biomass fuels	TJ	650.0	748.0	648.0

NON-KILN FUEL CONSUMPTION-CPP

Coal + petcoke	TJ	18,250.0	23,472.7	25,510.0
Diesel oil	TJ	10.0	11.8	7.0
Alternative fuels	TJ	241.0	125.5	100.0
Alternative biomass fuels	TJ	214.0	224.4	167.0

NON-KILN FUEL CONSUMPTION

Diesel oil consumed for onsite vehicle movement (TJ)	TJ	450	557	NR
Fuels for drying of raw materials and mineral components (TJ)	TJ	1,206	1,149	NR
Electricity purchased/imported	MWh	6,54,964	6,92,162	6,01,649
Energy consumption outside the organisation**	TJ	5,975	7,978	8,991.0
Specific power consumption upto and including clinker prod	kWh/tonnes clinker	68.84	68.6	69.0
Specific power consumption upto and including cement grinding	kWh/tonnes cementitious material	77.4	76.4	77.8
Specific power consumption upto and including cement grinding, colony auxiliaries	kWh/tonnes cementitious material	79.6	78.4	79.8

* 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	L	56.3	63.1	43.3
Electricity purchased	MWh	6,695	5,251.0	5,247.0
Energy consumption outside the organisation*	TJ	553.5	795.1	592.0

* Considered diesel as fuel consumed in transportation

Performance Table

Environment	Unit	2020	2019	2018
TOTAL DIRECT & INDIRECT ENERGY				
Total power generation	TJ	5,000	6,135	5,876
Total renewable energy generation	Million Units	35	36	35
% of RE in total power consumption	%	4	4	3
Renewable energy certificates purchased	MWh	31,381	1,14,565	97,415
Power and fuel expenses	₹Crore	2,572	3,134	2,998
Thermal energy efficiency	MJ/tonne clinker	3,106	3,129	3,099
Electrical energy efficiency	Kwh/tonne cement	81	80	81
WASTE GENERATION				
Hazardous waste				
Waste oil	litres	55,818.1	81,949.0	1,33,246.9
Grease	tonnes	22.0	42.6	52,046.0
Used batteries	tonnes	30.7	48.7	59.0
Biomedical waste	T	0.7	-	-
Ewaste	T	4.0	-	-
Non-hazardous waste				
Steel scrap	tonnes	8,884.4	9,235.9	11,810.4
Others	tonnes	5,002.0	5,050.8	7,329.7
Filter bags	No.	20,863.8	26,729.0	81,510.0
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.				
TOTAL WATER WITHDRAWAL IN CEMENT OPERATIONS				
Surface water	million m ³	1.71	1.98	6.71*
Harvested rainwater	million m ³	1.75	2.46	6.74*
Municipal water	million m ³	0.00	0.00	0.09*
Ground water	million m ³	0.17	0.22	1.17*
Percentage of sites with water recycling	%	100	100	100
Total quantity of water treated and reused annually	%	17.4	17.3	12.2
Total quantity of water treated and reused annually	million m ³	0.6	0.8	1.7
TOTAL WATER WITHDRAWAL IN CPP OPERATION				
Surface water	million m ³	1.4	1.3	Included in above figure
Harvested rainwater	million m ³	3.0	4.4	
Municipal water	million m ³	0.0	0.0	
Ground water	million m ³	0.5	0.4	
WATER WITHDRAWAL IN COLONY				
Surface water	million m ³	1.2	1.5	Included in above figure
Harvested rainwater	million m ³	1.4	0.8	
Municipal water	million m ³	0.0	0.0	
Ground water	million m ³	0.6	0.2	
* Includes water used in CPP and Colony also				

Performance Table

Environment	Unit	2020	2019	2018
TOTAL WATER WITHDRAWAL-RMX				
Surface water	million m ³	0	0	0
Harvested rainwater	million m ³	0	0	0
Municipal water	million m ³	0.3	0.68	0.78
Ground water	million m ³	0.0	0.33	0.22
MINING AND BIODIVERSITY				
Total land area	Ha	6,823.4	6,823.4	6,823
Total rehabilitated area	Ha	794.86	789	752
Total land disbursed	Ha	1,972*	1,607	1,051
Plantation in mines	No.	75,725	1,01,541	1,40,000 (total)
Sites with rehabilitation plan	No.	17	17	17
Sites with biodiversity management plan/wildlife conservation plan	No.	5	5	5
<i>*In 2020, disturbed area also includes area of potential extraction</i>				
PRESENCE OF IUCN RED LIST SPECIES*				
Critically endangered	No.	1	1	1
Endangered	No.	2	2	2
Vulnerable	No.	2	2	2
Near threatened	No.	1	1	1
<i>*Only in the sites where we may have potential impact on biodiversity and wildlife conservation plan</i>				
	Unit	2020	2019	2018
PROCUREMENT				
Total No. of suppliers	No.	6,977	7,460	9,517
Indian suppliers (local)	No.	6,918	7,435	9,442
International suppliers	No.	59	25	75
% of suppliers identified as "High Risk"	%	7%	7%	6.2%
Number of suppliers screened (socials, environmental aspects)	No.	498	522	590
Monetary value of payments made to suppliers	₹ Crore	9,875	12,796	12,784
Proportion of spending on local suppliers	%	94.50%	98	97
ANTI CORRUPTION, ANTI-COMPETITIVE BEHAVIOUR				
Total complaints recieved under the EthicalView reporting policy in 2020		123	117	67
How many of them have been resolved		110	64	33
How many still under investigation:		15	46	34
<i>In 2020, there were 4 confirmed cases of corruption</i>				

Performance Table

Social	Unit	2020		2019		2018	
		Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES AND THEIR BIFURCATION							
Total employees	No.	6,157	244	6,377	266	6,455	262
Management staff	No.	3,471	198	3,624	220	3,611	218
Non management staff	No.	2,686	46	2,753	46	2,844	44
AGE WISE-OWN EMPLOYEE BREAK UP							
<30	No.	788	79	1,015	104	1,030	102
30-50	No.	3,784	139	3,704	135	3,680	132
>50	No.	1,585	26	1,658	27	1,759	28
Total	No.	6,157	244	6,377	266	6,469	262
EMPLOYEE TURNOVER-AGE WISE							
<30	No.	117	19	117	22	136	22
30-50	No.	211	15	313	21	318	17
>50	No.	203	3	234	6	569	14
Total	No.	531	37	664	49	1,023	53
EMPLOYEE HIRES-AGE WISE							
<30	No.	85	9	312	34	216	25
30-50	No.	122	4	90	0	150	6
>50	No.	4	1	174	17	7	1
Total	No.	211	14	576	51	373	32
Differently abled employees	No.	12	0	12	-	15	
PARENTAL LEAVES*							
No of maternal leave days	No.	-	182	-	182	-	182
Women took maternity leave	No.	-	12	-	11	-	15
Women returned to work after maternal leave	No.	-	9	-	13	-	18
Women still working after maternal leave	No.	-	5	-	2	-	2
Women resigned after/during maternal leave		-	1	-	-	-	2
ANNUAL PERFORMANCE							
Managers who received annual performance	No.	3,477	201	3,624	220	3,611	218
* We have parental leave policy only for women.							
TRAINING HOURS							
For health and safety	No.	12,821	982	24,894	432	30,849	549
For IT training	No.	102	8	120	24	3,646	226
For management skills (Include soft skill training)	No.	7,466	1,149	24,255	1,101	41,837	1,436
For environment & sustainability	No.	958	41	134	1	1,493	18
Anti-corruption policies & procedures	No.	210	19	870	14	2,507	144
Other Trainings (Include operations & technical training)	No.	57,585	2,459	30,360	717	47,978	2,082
Total hours of training		79,142	4,658	80,633	2,288	1,28,307	4,455
No. of training hours for management staff	No.	66,351	4,576	62,405	2,186	1,01,650	4,425
No. of training hours for non management staff	No.	12,790	83	18,228	102	26,657	30

Performance Table

Social	Unit	2020		2019		2018	
		Male	Female	Male	Female	Male	Female
EMPLOYEE COMPENSATION							
Ratio of basic salary of men to women	%	1.1		1.2		NR	
Management staff (Base salary)	₹	14,43,188	12,44,357	7,79,293	9,58,315	NR	
Management staff (Base salary + bonus etc)	₹	17,03,897	14,56,200	8,33,844	10,25,397	NR	
Non-management staff (Base)	₹	5,16,989	4,92,906	4,85,452	4,95,858	NR	
Employee grievance procedures in place	Yes/No	Yes	Yes	Yes	Yes	Yes	
Anonymous grievances submission	Yes/No	Yes	Yes	Yes	Yes	Yes	

Social	Unit	2020		2019		2018	
		Male	female	Male	Female	Male	Female
HEALTH AND SAFETY							
Employee fatalities (No.)	No.	0	0	0	0	0	0
Fatality rates (directly employed)	#	0	0	0	0	0	0
Contractor fatalities (onsite)	No.	0	0	4	0	0	0
Contractors fatalities (off site)	No.	2	0	1	0	6	0
Employee Lost Time Injury (LTI) - Permanent employees	No.	2	0	7		NR	
Employee Lost Time Injury (LTI) - Contract employees	No.	8	1	8		NR	
Employee Lost Time Injury (LTI) - Total	No.	10	1	15		4	
Employee Lost Time Injury Frequency Rate (LTIFR) - Permanent employees	#	0.14		0.47		NR	
Employee Lost Time Injury Frequency Rate (LTIFR) - Contract employees	#	0.44		0.28		NR	
Employee Lost Time Injury Frequency Rate (LTIFR) - Total	#	0.31		0.34		0.26	
Employee Injury Rate (IR) - Permanent employees	#	0.75		0.94		NR	
Employee Injury Rate (IR) - Contract employees	#	0.87		0.76		NR	
Employee Injury Rate (IR) - Total	#	0.82		0.92		0.81	
Employee Lost day rate (LDR) - Permanent employees	No.	5.73		1.81		NR	
Employee Lost day rate (LDR) - Contract employees	No.	14.11		6.50		NR	
Employee Lost day rate (LDR) - Total	No.	10.62		4.83		6.18	
Number of permanent employees undergone risk based health assessment	%	100	100	100	100	NR	

NR = Not Reported

Independent Assurance Statement



INTRODUCTION AND ENGAGEMENT

ACC Limited (hereafter 'ACC' or 'the Company') engaged TUV India Private Limited (TUVI) to conduct the independent Non-Financial assurance of Integrated Report (hereinafter 'the Report'), which includes "Type 2, Moderate Level" of ACC Sustainability information for the applied reporting period, 1st January to 31st December 2020. Remote verification was conducted in February 2021 for the Lakheri, plant Rajasthan and ACC Limited, Head Office, Mumbai including the RMX business, together with a desk review carried out for all other ACC sites within the reporting boundary.

SCOPE, BOUNDARY AND LIMITATIONS OF ASSURANCE

The scope of the Sustainability assurance includes following

- Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the Report over the reporting period;
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards
- Verification of the reliability of the GRI Standards Disclosure on environmental and social topics
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;
- Confirmation of the fulfilment of the GRI Standards, in accordance with the "Comprehensive" option;

The reporting boundary is based on the internal and external materiality assessment. The reporting aspect boundaries are set out in the Report covering the sustainability performance of the ACC encompassing 11 Integrated Cement Plants and 6 Grinding Units and 80 Ready Mix Concrete (RMX) plants. Our engagement did not include an assessment of the adequacy or the effectiveness of ACC's strategy or management of sustainability related issues. During the assurance process, TUVI did not come across the limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of the Sustainability Verification.

VERIFICATION METHODOLOGY

The Report was evaluated against the following criteria:

- Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the GRI Standards and AA1000AS Version 3 along with AA1000 AP (2018);
- Application of the principles and requirements of the GRI Standards, in accordance with the "Comprehensive" option;

During the assurance engagement, TUVI adopted a risk-based approach, concentrating on verification efforts on the issues of high material relevance to ACC business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows and controls. In doing so:

- TUVI reviewed the approach adopted by ACC for the stakeholder engagement and materiality determination process. TUVI performed the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;
- TUVI verified the Sustainability -related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- TUVI examined and reviewed the documents, data and other information made available by ACC Limited for the reported disclosures including the disclosure on Management Approach and performance disclosures;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the ACC during the remote assessments
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability related policies, as described in ACC Report;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Independent Assurance Statement



OPPORTUNITIES FOR IMPROVEMENT

The following is an extract from the observations and opportunities for improvement reported to the management of ACC and are considered in drawing our conclusions on the Report; however, they are generally consistent with the Management's objectives. Opportunities are as follows:

- The existing supplier assessment Manual can be calibrated with the contemporary best practices example ISO 20400
- ACC can also report organic waste and improve waste reporting data
- ACC can evaluate and rate its waste minimization programme by adopting appropriate rating system.
- SBTi Target evaluation following sectoral de-carbonization approach or absolute based targets or economic approach may be performed and present targets can be calibrated accordingly

CONCLUSIONS

In our opinion, based on the scope of this assurance engagement, the disclosures on Sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and performance disclosures, and meets the general content and quality requirements of the GRI Standards Comprehensive option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements for in accordance with the "Comprehensive" option. ACC refers to general disclosure to report contextual information about ACC while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: ACC followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements in accordance with the "Comprehensive" option.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics) and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that ACC used to prepare its Report are appropriately identified and addressed.

On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the Type 2 moderate level assurance engagement was not prepared, in all material topics, in accordance with the "Comprehensive" option. Sustainability reporting guidelines, or that the Sustainability information is not reliable in all material respects, with regards to the reporting criteria.

ACC procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the Sustainability Information are at discretion of organization. This assurance statement has been prepared in accordance with the terms of our engagement. Type 2 moderate level assurance engagement with respect to sustainability related data involves performing procedures to obtain evidence about the sustainability information. TUVI has evaluated below requirements in context of GRI Standards along with assurance of the scope 1, 2, 3, GHG emission of ACC.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity: Stakeholder identification and engagement is carried out by ACC on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering topics that are internal and external to the ACC range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of ACC. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on ACC policies and management systems including governance. In our view, the Report meets the requirements.

Independent Assurance Statement



Impact: ACC communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with Lafarge Holcim (LH) Guidelines, GRI, WBCSD Cement Protocol, GCCA and CDP as part of its, policy framework that include Environmental Policy, Sustainability Policy, Climate Change Mitigation Policy, Corporate Social Responsibility Policy etc. ACC reports on sustainability performance to Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability related issues. ACC has established non-financial KPIs aligning with L⁺ Targets, CDP, GCCA and WBCSD. ACC completed the process of establishing contemporary goals and targets against which performance will be monitored and disclosed periodically.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of ACC. The management of the ACC is responsible for the information provided in the Report as well as the process of collecting, analyzing and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by ACC in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by ACC are complete and true.

TUV'S COMPETENCE AND INDEPENDENCE

TUVI is an independent, neutral, third-party providing Sustainability services, with qualified environmental and social assurance specialists. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with ACC on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this Assurance Statement. TUVI maintains complete impartiality toward any people interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar

Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 23/02/2021

Place: Mumbai, India

Project Reference No: 8118826310

www.tuv-nord.com/in



AA1000

Licensed Assurance Provider

000-138

Directors' Report

To
The Members

OneIndia BSC Private Limited

Your Directors' are pleased to present the 6th Directors' Report for the financial year ended December 31, 2020.

1. KEY FINANCIAL HIGHLIGHTS:

Particulars	For the year ending December 31, 2020 ₹ Lakhs	For the year ending December 31, 2019 ₹ Lakhs
Income	3334.09	4383.06
Expenditure	3306.27	4034.25
Profit/ (Loss) before Tax	27.82	348.81
Deferred Tax/Current Tax	125.43/ 31.94	20.99 / (111.65)
Net Profit/ (Loss)	(129.55)	258.15
EPS	(2.59)	5.16
Other Comprehensive Income net of tax	-	(28.20)
Total Comprehensive Income	(129.55)	229.95

During the year under review your Company has reported a net loss of ₹129.55/- (in lakhs) as compared to last year net profit of ₹ 258.15/- (in lakhs).

2. DIVIDEND:

The Directors do not recommend any dividend for the financial year ended December 31, 2020.

3. TRANSFER TO RESERVES:

The Company has not transferred any amount during the financial year to the General Reserve.

4. MATERIAL CHANGES AND COMMITMENTS:

There has been no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

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	202.94	102.34

Total foreign exchange Earned

Category	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
Earnings	NIL	1.97

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, 2020 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, 2020 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, 2020.

13. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and is functioning effectively. The company has adequate internal control system in place on the basis of which financial accounting is done and periodically financial statements are prepared. Such Internal control systems are commensurate with its size, scale and complexities of its operations and are adequate and operating effectively.

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 23, 2020	Kymore Room, 3 rd Floor, Cement House 121, Maharshi Karve Road, Mumbai – 400020	11.00 A.M.	<ul style="list-style-type: none"> Mr. Bimlendra Jha Mr. Neeraj Akhoury Ms. Rajani Kesari Ms. Sonal Shrivastava
2.	February 5, 2020	WADI Room, 5 th Floor, Cement House 121, Maharshi Karve Road, Mumbai – 400020	10.30 A.M.	<ul style="list-style-type: none"> Mr. Bimlendra Jha Mr. Neeraj Akhoury Ms. Rajani Kesari Ms. Sonal Shrivastava
3.	March 4, 2020	Kymore Room, 3 rd Floor, Cement House 121, Maharshi Karve Road, Mumbai – 400020	11.00 A.M.	<ul style="list-style-type: none"> Mr. Neeraj Akhoury Ms. Rajani Kesari Ms. Sonal Shrivastava
4.	April 20, 2020	Video Conferencing	10:30 A.M	<ul style="list-style-type: none"> Ms. Rajani Kesari Ms. Sonal Shrivastava
5.	June 16, 2020	Video Conferencing	3.30 P.M.	<ul style="list-style-type: none"> Ms. Rajani Kesari Ms. Sonal Shrivastava Mr. Sridhar Balakrishnan
6.	July 17, 2020	Video Conferencing	10.30 A.M.	<ul style="list-style-type: none"> Ms. Rajani Kesari Ms. Sonal Shrivastava
7.	September 11, 2020	Video Conferencing	3.30 P.M.	<ul style="list-style-type: none"> Ms. Rajani Kesari Ms. Sonal Shrivastava Mr. Sridhar Balakrishnan
8.	October 15, 2020	Video Conferencing	10.30 A.M.	<ul style="list-style-type: none"> Ms. Rajani Kesari 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.	Mr. Piyush Agrawal – CS	Appointment	23 rd January, 2020
2.	Mr. Bimlendra Jha – Director	Resignation	20 th February, 2020
3.	Mr. Sridhar Balakrishnan - Additional Director	Appointment	20 th April, 2020
4.	Mr. Piyush Agrawal - CS	Resignation	6 th July, 2020
5.	Ms. Sonal Shrivastava and Mr. Sridhar Balakrishnan – Director	Regularization	16 th June, 2020
6.	Mr. Narendra Jawaharani - CEO	Resignation	11 th September, 2020
7.	Mr. Sandeep Arora - CEO	Appointment	11 th September, 2020
8.	Mr. Balaji Sheshadri – CFO	Appointment	11 th September, 2020

16. RISK MANAGEMENT:

The Company is a captive Service Provider to its joint Venture partners.

The Board of Directors of the Company has indentified 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 upto December 31, 2021. 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. 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) OneIndia BSC currently doesn't have any customer contracts and no other business plans and accordingly the financial statements has not been prepared on 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.

30. 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

Neeraj Akhoury

Director

DIN: 07419090

ADDRESS: 24th Floor, 2401, The Reserve CTS No -02,66
Off E Moses Road, Worli, Mumbai - 400018, Maharashtra

Place: Mumbai

Date: 10th February, 2021

Rajani Kesari

Director

DIN: 02384170

ADDRESS: Flat No. 1901, 19th floor, B wing, Raheja Vivarea,
Hindoostan Mills Compound 30, Keshavrao Khadya,
Mumbai 400011, Maharashtra

Place: Mumbai

Date: 10th February, 2021

ANNEXURE TO BOARD'S REPORT.

Annexure I - Annual return

Form No. MGT-9

as on the financial year ended **December 31, 2020**

[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	ACC Limited, 2/4, Prestige Commercial Complex 4 th Floor, Church Street, Bengaluru KA 560001 IN
vi)	Whether listed company (Yes/ No)	No

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 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
1.	ACC Limited Cement House, 121, Maharshi Karve Road, Mumbai - 400020	L26940MH1936PLC002515	Subsidiary of Holding Company	50
2.	Ambuja Cements Limited P O Ambuja Nagar, Taluka Kodinar, Amreli, Dist Junagadh Gujarat -362715 India	L26942GJ1981PLC004717	Holding Company	50

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	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-

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	
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) FIs	-	-	-	-	-	-	-	-	-
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	50,02,000	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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	216.08	8.73	N.A.	224.81
	(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	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit				
	- Others, specify...				
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	216.08	8.73	N.A.	224.81

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

Neeraj Akhoury
Director
DIN: 07419090
ADDRESS: 24th Floor, 2401, The Reserve CTS No -02,66
Off E Moses Road, Worli, Mumbai - 400018, Maharashtra
Place: Mumbai
Date: 10th February, 2021

Rajani Kesari
Director
DIN: 02384170
ADDRESS: Flat No. 1901, 19th floor, B wing, Raheja Vivarea,
Hindustan Mills Compound 30, Keshavrao Khadya,
Mumbai 400011, Maharashtra
Place: Mumbai
Date: 10th February, 2021

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 arm's 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. As per the Table below.

SL. No.	Particulars	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)	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	Revenue from Operation
3	Duration of the contracts/ arrangements/transaction	January 1,2020 – December 31,2020				
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

For and on behalf of the Board

FOR ONEINDIA BSC PRIVATE LIMITED

Neeraj Akhoury
Director
DIN: 07419090
ADDRESS: 24th Floor, 2401, The Reserve CTS No -02,66
Off E Moses Road, Worli, Mumbai - 400018, Maharashtra
Place: Mumbai
Date: 10th February, 2021

Rajani Kesari
Director
DIN: 02384170
ADDRESS: Flat No. 1901, 19th floor, B wing, Raheja Vivarea,
Hindoostan Mills Compound 30, Keshavrao Khadya,
Mumbai 400011 Maharashtra
Place: Mumbai
Date: 10th February, 2021

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 2020, 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 2020, 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.

Emphasis of Matter

We draw attention to Note 1 of these financial statements, wherein as more fully described the Master service agreement entered by the Company for the services rendered to its associated entities, expired during the year and was not renewed and the Company has no other customer contracts. Accordingly, these financial statements have not prepared on going concern basis. The manner of realization of assets and settlement of liabilities have been fully described in Note 2.3 to the Financial Statements.

Our opinion is not modified in respect of this matter.

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, when it becomes available and, 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.
- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

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) 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 10, 2021

UDIN : 21211095AAAAU5006

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, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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, 2020, 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 10, 2021

UDIN : 21211095AAAAU5006

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 as at December 31, 2020 and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence, reporting under clause 3(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 3(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 3(v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(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, 2020 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, 2020 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 3(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 3(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 3(xii) of the Order is not applicable.
- (xiii) The Company is a private company and hence the provisions of section 177 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 is in compliance with Section 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 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 3(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 10, 2021

UDIN : 21211095AAAAU5006

Balance Sheet

As at 31st December, 2020

₹ Lakhs

Particulars	Note	As at December 31, 2020	As at December 31, 2019
A ASSETS			
1 Non-current assets			
(a) (i) Property, plant and equipment	3	-	38.64
(ii) Intangible assets	3.1	-	74.93
(iii) Capital work in Progress.....		-	5.42
(b) Financial assets:			
Loans	4.1	-	195.24
(c) Deferred tax assets (net).....	5.2	-	125.43
(d) Non-current income tax asset (Net)	5.1	349.76	499.39
(e) Other non-current assets	6.1	-	-
Total non-current assets		349.76	939.05
2 Current assets			
(a) Financial assets			
(i) Trade receivables.....	4.2	852.34	518.97
(ii) Cash and cash equivalents	4.3	459.22	619.81
(iii) Other Financial Assets	4.1	97.16	4.29
(iv) Unbilled revenues.....		-	46.75
(b) Other current assets	6.2	142.12	237.17
Total current assets		1,550.84	1,426.99
Total Assets (1 + 2)		1,900.60	2,366.04
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital.....	7	500.20	500.20
(b) Other equity	8	808.55	938.10
Total equity		1,308.75	1,438.30
Liabilities			
2 Non-current liabilities			
(a) Provisions.....	10.1	-	245.09
Total non-current liabilities		-	245.09
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		422.92	474.80
(ii) Other financial liabilities.....	9.2	129.55	-
(iii) Unearned Revenue			
(b) Provisions	10.2	5.02	110.52
(c) Other current liabilities	11	34.36	96.11
Total current liabilities		591.85	682.65
Total Equity and Liabilities (1 + 2 + 3)		1,900.60	2,366.04
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
Firm Reg No.117366W/ W-100018

Jaideep S. Trasi
Partner

Place: Bengaluru
Date: 10th February, 2021

For and on behalf of the Board of Directors

Neeraj Akhoury Director DIN:07419090 Place: Mumbai Date: 10 th February, 2021	Rajani Kesari Director DIN:02384170 Place: Mumbai Date: 10 th February, 2021
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Sandeep Arora CEO Place: Mumbai Date: 10 th February, 2021	Balaji Sheshadri CFO Place: Mumbai Date: 10 th February, 2021
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Statement of Profit and Loss for the year ended 31st December, 2020

₹ Lakhs

Particulars	Note	For the Year ended December 31, 2020	For the Year ended December 31, 2019
I Income:			
(a) Revenue from operations	12.1	3,270.53	4,356.35
(b) Other income	12.2	63.56	26.71
Total income		3,334.09	4,383.06
II Expenses:			
(a) Employee benefit expense	13	2,207.28	2,816.17
(b) Depreciation and amortisation expense.....	3	52.90	50.22
(c) Other expenses	14	1,046.09	1,167.86
Total expenses		3,306.27	4,034.25
III Profit / (Loss) before tax (I-II)		27.82	348.81
IV Tax expense			
(a) Current tax	18	31.94	111.65
(b) Deferred tax	5.2	125.43	(20.99)
V Profit / (Loss) for the year (III - IV)		(129.55)	258.15
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)
(b) Income Tax relating to items that will not be classified to Profit & loss		-	9.48
VII Total other comprehensive income/(expense) for the year, net of tax		-	(28.20)
VIII Total comprehensive income for the year (V -VII)		(129.55)	229.95
IX Earnings per equity share from discontinued operations			
Basic and Diluted (in ₹)			
(Equity Shares of par value ₹ 10 each)	19	(2.59)	5.16
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
Firm Reg No.117366W/ W-100018

Jaideep S. Trasi
Partner

Place: Bengaluru
Date: 10th February, 2021

For and on behalf of the Board of Directors

Neeraj Akhoury
Director
DIN:07419090
Place: Mumbai
Date: 10th February, 2021

Rajani Kesari
Director
DIN:02384170
Place: Mumbai
Date: 10th February, 2021

Sandeep Arora
CEO
Place: Mumbai
Date: 10th February, 2021

Balaji Sheshadri
CFO
Place: Mumbai
Date: 10th February, 2021

Statement of Changes in Equity for the year ended December 31, 2020

(a) Equity Share Capital (Refer Note 7)

Particulars	Number of shares	Amount ₹ Lakhs
As at January 1, 2019	5,002,000	500.20
Changes in equity share capital	-	-
At December 31, 2019	5,002,000	500.20
Changes in equity share capital	-	-
At December 31, 2020	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, 2019	730.26	(22.11)	-	708.15
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
Profit/(Loss) for the year	(129.55)	-	-	(129.55)
Remeasurement of the net defined benefit liability / assets (net of tax effect)	-	-	-	-
Balance at December 31, 2020	858.86	(50.31)	-	808.55

The accompanying notes form an integral part of the financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Reg No.117366W/ W-100018

Jaideep S. Trasi
Partner
Place: Bengaluru
Date: 10th February, 2021

For and on behalf of the Board of Directors

Neeraj Akhoury Director DIN:07419090 Place: Mumbai Date: 10 th February, 2021	Rajani Kesari Director DIN:02384170 Place: Mumbai Date: 10 th February, 2021
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Sandeep Arora CEO Place: Mumbai Date: 10 th February, 2021	Balaji Sheshadri CFO Place: Mumbai Date: 10 th February, 2021
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Cash Flow Statement for the year ended 31st December, 2020

₹ Lakhs

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
A. Cash flow from operating activities		
Profit / (Loss) for the year	(129.55)	229.95
Adjustments for:		
Tax expenses (net)	157.37	81.18
Interest Income	(55.87)	(26.71)
Depreciation and amortization expenses	52.90	50.22
Writeoff of PPE.....	7.70	-
Operating Profit before working capital changes	32.55	334.64
Movements in working capital		
Decrease/(Increase) financial assets.....	(32.88)	(36.76)
Decrease/(Increase) other non current assets	195.24	10.96
Decrease/(Increase) other current assets	95.05	(18.20)
Decrease/(Increase) in trade receivables	(333.36)	(101.17)
(Decrease)/ Increase in trade payables.....	76.45	(34.49)
(Decrease)/ Increase in provisions	(350.59)	93.62
(Decrease)/ Increase in other current liabilities	(61.75)	2.86
Cash generated from operations	(411.84)	(83.19)
Income tax paid / (refund) - net	(160.33)	196.70
Net Cash flow (used in) / from operating activities	(218.96)	54.75
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	58.37	-
Payments for purchase of property, plant and equipment	-	(65.16)
Interest Income	-	12.64
Net cash used in investing activities	58.37	(52.52)
C. Cash flow from financing activities		
Net Cash flow from Financing activities	-	-
Net Increase/(decrease) in cash and cash equivalents	(160.59)	2.23
Cash and cash equivalents at the beginning of the year.....	619.81	617.58
Cash and cash equivalents at the end of the year (Refer note 4.3)	459.22	619.81

The accompanying notes form an integral part of the financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Reg No.117366W/ W-100018

Jaideep S. Trasi
Partner
Place: Bengaluru
Date: 10th February, 2021

For and on behalf of the Board of Directors

Neeraj Akhoury Director DIN:07419090 Place: Mumbai Date: 10 th February, 2021	Rajani Kesari Director DIN:02384170 Place: Mumbai Date: 10 th February, 2021
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Sandeep Arora CEO Place: Mumbai Date: 10 th February, 2021	Balaji Sheshadri CFO Place: Mumbai Date: 10 th February, 2021
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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 Ultimate Holding Company, Holding Company and other associated enterprises (hereinafter referred to as "Group entities"). The Master Service Agreement for these services rendered to the Group entities was entered into for a period of 5 years, ending December 31, 2020 and available for renewal. Based on the communication received from the Group entities the agreement has not been renewed. The Company currently does not have any other customer contracts and no other business plans and accordingly these financial statements as at and for the year ended December 31, 2020 has not been prepared on a going concern basis

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016.

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.

Ind AS 116 – Leases

On 1 January, 2020, the Company adopted Ind AS 116 Leases, which was applicable to all lease contracts outstanding as of 1 January, 2020. Ind AS 116, simplifies lease accounting by requiring lessee to recognise a right-of-use asset (RoU asset) and corresponding lease liability and does away with the requirement of classifying leases into operating and finance lease required under erstwhile Ind AS 17.

Ind AS 116, permits a lessee not to apply the recognition requirements to short term leases. Short term leases have been defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase an underlying asset.

The Company assessed as of 1 January, 2020, all its lease contracts had a remaining term of less than 12 months. Consequently, no right-of-use assets or lease liability have been recognized in the Financial Statements by virtue of this practical expedient.

The lease payments associated with the leases have been recognized on a straight line basis over the lease term in the financial statements.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

The Ministry of Corporate Affairs issued Appendix C to Ind AS 12 which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on standalone financial statements of the Company.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on standalone financial statements of the Company.

2.3 Basis of preparation and presentation of financial statements

These financial statements have been prepared on the historical cost convention 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. As mentioned in Note 1 above, the Company's has not prepared these financial statements on a going concern basis, and accordingly the below accounting policies should be read in line with this matter. The assets at historical cost are carried at the lower of its carrying book value and its recoverable value and liabilities are carried at their estimated payouts.

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. These contracts are in the nature of time and material contracts and recognised at the contractual rates as labour hours and direct expenses are incurred. In respect of expired contracts under renewal, revenue is recognised based on the erstwhile contracts/provisionally agreed terms and conditions.

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 Equipment's	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) 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.

(vi) 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.

(vii) 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. Financial assets

The Company's financial assets comprises of following:

- Short-term financial assets consisting of (a) trade receivables, (b) cash and bank balances, and (c) other short-term receivables – third parties.
- Long-term financial assets consisting of long-term receivables and 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.

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

Classification of financial asset

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 lifetime 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.

(viii) 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.

(ix) 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.

(x) 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) 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 judgement 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, 2020	As at December 31, 2019
Carrying amounts of :		
Electrical installation	-	8.31
Computer and computer Equipments	-	13.07
Furniture & fittings	-	7.62
Office equipment	-	9.64
Total	-	38.64

₹ Lakhs

Particulars	Property, plant and equipment					Total Tangible Assets
	Electrical installation	Computer & computer equipments	Furniture & fittings	Office equipment		
Cost		End User dekstops and Laptops	Servers and Networks			
As at January 01, 2019	29.13	89.76	3.82	11.65	18.20	152.56
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at December 31, 2019	29.13	89.76	3.82	11.65	18.20	152.56
Additions	-	-	-	-	-	-
Disposals	-	(5.32)	-	(9.73)	(9.87)	(24.92)
As at December 31, 2020	29.13	84.44	3.82	1.92	8.33	127.64
Accumulated depreciation						
As at January 01, 2019	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
Disposals	-	-	-	-	-	-
As at December 31, 2019	20.82	79.58	0.93	4.03	8.56	113.92
Depreciation expense	8.31	6.78	2.89	2.04	7.10	27.12
Disposals	-	(1.92)	-	(4.15)	(7.33)	(13.40)
As at December 31, 2020	29.13	84.44	3.82	1.92	8.33	127.64
Carrying amount						
As at December 31, 2020	-	-	-	-	-	-
As at December 31, 2019	8.31	10.18	2.89	7.62	9.64	38.64

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, 2020	As at December 31, 2019
Carrying amounts of :		
Softwares	-	74.93
Total	-	74.93

₹ Lakhs

Particulars	Intangible Assets	
	Softwares	Total Intangible Assets
Cost		
As at January 01, 2019	93.85	-
Additions	-	-
Disposals	-	-
As at December 31, 2019	93.85	93.85
Additions	-	-
Disposals	(78.70)	(78.70)
As at December 31, 2020	15.15	15.15
Accumulated depreciation		
As at January 01, 2019	18.92	18.92
Depreciation expense.....	-	-
Disposals	-	-
As at December 31, 2019	18.92	18.92
Depreciation expense.....	25.78	25.78
Eliminated on disposal of assets	29.55	29.55
As at December 31, 2020	15.15	15.15
Carrying amount		
As at December 31, 2020	-	-
As at December 31, 2019	74.93	74.93

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.

Particulars	₹ Lakhs	
	As at December 31, 2020	As at December 31, 2019
Note 4 : Financial assets (unsecured, considered good unless otherwise stated)		
Note 4.1 : Loans		
a) Non-current		
Security deposits	-	195.24
	-	195.24
b) Current		
Security deposits	7.75	-
Other receivables from related parties	89.41	-
	-	4.29
	97.16	4.29
Note 4.2 : Trade receivables		
Current, (unsecured, considered good)		
Receivables from related parties	852.34	518.97
	852.34	518.97

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).....	5.88	186.46
Ambuja Cements Limited (within credit period)	112.43	324.28
Holcim Philippines	-	-
Holcim Services South Asia Limited	6.49	-
Lafarge Zambia	-	-
LH Global Hub Services	727.54	8.23
	852.34	518.97

₹ Lakhs		
Particulars	As at December 31, 2020	As at December 31, 2019
Note 4.3 : Cash & cash equivalents		
Balance with Banks in current accounts	459.22	619.81
Cash in hand	-	-
	<u>459.22</u>	<u>619.81</u>
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	867.52	985.18
Less: Provisions made for the respective years	(517.76)	(485.79)
Tax refund receivable (net)	<u>349.76</u>	<u>499.39</u>
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
Deferred tax liabilities	-	-
Net balance	<u>-</u>	<u>125.43</u>

Movement for the year :

₹ Lakhs				
Particulars	For the year 2020			
	Opening Balance	Recognised in profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax assets/ liability in relation to:				
Provision on employee benefits	96.57	(96.57)	-	-
Other disallowances	21.36	(21.36)	-	-
Unadjusted tax losses, including unabsorbed depreciation	-	-	-	-
Property, plant and equipment	7.50	(7.50)	-	-
Total	<u>125.43</u>	<u>(125.43)</u>	<u>-</u>	<u>-</u>

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	<u>94.96</u>	<u>20.99</u>	<u>9.48</u>	<u>125.43</u>

₹ Lakhs		
Particulars	As at December 31, 2020	As at December 31, 2019
Note 6 : Other assets		
(unsecured, considered good unless otherwise stated)		
Note 6.1 : Non-current		
(a) Deferred rent (amortised cost)	-	-
	<u>-</u>	<u>-</u>

		₹ Lakhs
Particulars	As at December 31, 2020	As at December 31, 2019
Note 6.2 : Current		
(a) Prepayments	-	4.36
(b) Advances to suppliers	2.71	102.46
(c) Deferred rent (amortised cost)	-	10.92
(d) Other receivables (Refer Note 16 and Note 21)	139.41	118.14
(e) Petty Advances	-	1.29
(f) Unbilled Revenue		
	142.12	237.17
Note 7 : Equity share capital		
Authorized Equity Share Capital		
450,00,000 (31 December, 2019 : 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, 2019 : 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, 2020 and December 31, 2019.		

		₹ Lakhs
Particulars	As at December 31, 2020	As at December 31, 2019
Note 8 : Other equity		
Reserves and surplus		
(I) Retained earnings	858.86	988.41

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, 2020	As at December 31, 2019
(II) Other comprehensive income/(expense)	(50.31)	(50.31)
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.		
	808.55	938.10
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.....	422.92	474.80
	422.92	476.02
Note 9.2 : Other financial liabilities		
Gratuity and Severance payable (Refer Note 16)	129.55	-
	129.55	-
Note 10 : Provisions		
Note 10.1 : Non-current		
Provision for gratuity (Refer Note 16)	-	245.09
	-	245.09
Note 10.2 : Current		
Provision for gratuity (Refer Note 16)		43.79
Provision for compensated absences (Refer Note 16)	5.02	66.73
	5.02	110.52
Note 11 : Other liabilities		
Current		
Statutory dues	34.36	96.11
	34.36	96.11
Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
Note 12.1 : Revenue from discontinued operations		
Income from services - shared service activity (Refer Note 22)	3,270.53	4,356.35
	3,270.53	4,356.35
Note 12.2 : Other income		
Interest income on :		
Security deposit.....	13.20	14.08
Income tax refund	42.67	6.09
Fixed Deposit.....	7.69	6.54
	63.56	26.71
Note 13 : Employee benefits expense		
Salaries, wages and bonus	1,974.40	2,520.98
Contribution to provident and other funds (Refer note 16)	84.73	137.80
Gratuity expense (Refer Note 16)	55.92	44.10
Staff welfare expenses	92.23	113.29
	2,207.28	2,816.17
Note 14 : Other expenses		
Communication expenses.....	3.74	50.05
Travelling expenses	8.42	20.77
Legal, professional & consulting services (Refer Note 14.1).....	417.32	461.14

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
License cost	183.96	144.16
Rent (Refer Note 17)	301.73	346.52
Utilities and maintenance	57.76	80.69
Security expense	10.35	11.13
Office supplies	32.00	11.80
Recruitment / hiring cost.....	3.82	14.58
Miscellaneous expenses	26.99	27.02
	1,046.09	1,167.86
Note 14.1 : Payment to auditors, towards		
For statutory audit.....	12.00	11.00
For taxation matters	3.00	3.00
	15.00	14.00

Note 15 : Contingent Liabilities and other commitments

The contingent liability and other commitments of the Company as at December 31, 2020 is ₹ NIL. (December 31, 2019: ₹ 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 ₹ 83.44 Lakhs (Year ended 31 December, 2019 ₹135.43 Lakhs) for Provident fund contributions and ₹1.28 Lakhs (Year ended 31 December 2019 ₹ 2.38 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 actuarial 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, 2020 ₹ Lakhs	December 31, 2019 ₹ Lakhs
Current service cost	55.92	30.04
Past service cost.....	-	13.48
Interest cost on benefit obligation.....	-	14.06
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the year	-	37.68
Net benefit expense	55.92	95.26
Actual return on plan assets		

Balance sheet

Particulars	Gratuity	
	December 31, 2020	December 31, 2019
	₹ Lakhs	₹ Lakhs
Present value of defined benefit obligation	129.55	288.87
Fair value of plan asset	-	-
Funded status		288.87
Effect of asset ceiling/onerous liability		-
Net defined benefit liability / (asset)	129.55	288.87
Movement in the present Value of obligation		
Opening defined benefit obligation	288.87	210.18
Current service cost	55.92	30.04
Interest cost	-	14.06
Benefits paid	(215.24)	(3.09)
Net transfer from group company (Refer note 1 below)	-	-
Actuarial (gains) / losses on obligation	-	37.68
Net defined benefit liability / (asset)	129.55	288.87

Note 1: Represent the assets recoverable from holding company and its subsidiary for the employees transferred 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, 2020	December 31, 2019
	₹ Lakhs	₹ Lakhs
Return on plan assets (excl. interest income)	NA	-
Due to change in demographic assumptions	NA	(0.01)
Due to change in financial assumptions	NA	10.74
Due to change in experience adjustments	NA	26.95
Changes in asset ceiling/onerous liability	-	-
Components of defined costs recognised in other comprehensive income	-	37.68

The principal actuarial assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Gratuity	
	December 31, 2020	December 31, 2019
Discount rate	NA	6.40%
Salary escalation rate (p.a.)	NA	8%
Mortality rate	NA	IALM (2012-14)
Turnover Rate	NA	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, 2020	
	₹ Lakhs	December 31, 2019 ₹ Lakhs
Discount rate		
Discount rate - 50 basis points	NA	295.21
Assumptions	NA	5.90%
Discount rate + 50 basis points	NA	282.82
Assumptions	NA	6.90%
Salary Increase rate		
Salary rate - 50 basis points	NA	283.47
Assumptions	NA	7.50%
Salary rate + 50 basis points	NA	294.45
Assumptions	NA	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, 2020.

Movement in Provision of Compensated Leave Absence

Particulars	December 31, 2020 ₹ Lakhs	December 31, 2019 ₹ Lakhs
Opening Balance		51.82
Add:	66.73	
Expense for the year	34.70	22.10
Less:		
Payment made during the year	(96.41)	(7.19)
Closing Balance	5.02	66.73
Current liabilities	5.02	66.73
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, 2020 ₹ Lakhs	As at December 31, 2019 ₹ Lakhs
(i) Rent recognised as an expense during the year	301.73	346.52
(ii) Not later than one year	-	290.81
(iii) Later than one year and not later than five years	-	-
(iv) Later than five years	-	-

Note 18 : Income taxes

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
18.1 Income tax expense recognised in statement of profit and loss:		
Current tax:		
In respect of the current year	0.00	111.65
Adjustments in respect of prior years	31.94	-
	31.94	111.65
Deferred tax:		
In respect of the current year	125.43	(20.99)
	125.43	(20.99)
Total income tax expense recognised in statement of profit and loss	157.37	90.66

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
18.2 Income Tax recognised in Other Comprehensive Income		
Deferred tax charge / (benefit) on :		
Remeasurements of the defined benefit liabilities/ (asset)	-	(9.48)
Total income tax recognised in other comprehensive income	-	(9.48)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	-	(9.48)
Items that may be reclassified to profit or loss	-	-
	-	(9.48)

Notes to the Ind AS financial statements for the year ended December 31, 2020

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ 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	27.82	348.81
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense.....	7.00	87.79
Effects of certain tax allowances and concessions	-	-
Effect due to change in tax rate to 25.17% from 27.82%	-	12.66
Effects of expenses that are not deductible in determining taxable profit	-	-
Deferred tax assets of prior years written off	125.43	-
Tax adjustments pertaining to prior years	31.94	-
Total income tax expense recognised in the statement of profit and loss	164.37	100.44
Effective income tax rate	590.95%	28.80%

Note 19 : Earnings per share

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
Profit/(Loss) after Tax (₹ Lakhs)	(129.55)	258.15
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 ₹)	(2.59)	5.16

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 Maker (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 : Micro Small and Medium Enterprises Disclosure

There are no Micro and Small Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes any dues. The Company has ascertained the status of entities being micro and small enterprises on the basis of information available with it. This has been relied upon by the auditors.

Note 22 : Related parties

Note 22.1 : 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 Jawaharani	Chief Executive Officer upto 11 th Sep 2020
Sandeep Arora	Chief Executive officer from 11 th Sep 2020

Note 22.2 : 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.....	1,229.97	1,418.50	5.50	-	-	616.56
	(1,890.47)	(2,309.32)	(67.02)	(4.65)	(1.97)	(82.92)
2 Legal, Professional & Consultancy fees	-	-	265.40	-	-	-
as on 31.12.2019.....	-	-	(384.27)	-	-	-
3 License Cost	-	-	38.59	173.42	-	-
as on 31.12.2019.....	-	-	(49.00)	(82.14)	-	-
Balances outstanding:						
1 Trade receivables Balance	112.43	5.88	6.49	-	-	727.54
as on 31.12.2019.....	(324.28)	(186.46)	-	-	-	(8.23)
2 Other receivable Balance.....	70.33	69.07	-	-	-	-
as on 31.12.2019.....	(59.61)	(58.54)	-	-	-	-
3 Other Financial Assets Balance	-	-	-	-	-	89.41
as on 31.12.2019.....	-	-	-	-	-	-
4 Unbilled revenue Balance.....	-	-	-	-	-	-
as on 31.12.2019.....	(21.04)	(25.71)	-	-	-	-
5 Trade payables (including accrued expenses)	-	-	71.56	82.17	-	202.85
Balance as on 31.12.2019.....	-	-	(63.14)	(80.83)	-	-

Figures in bracket represent previous year amount

Details of Transaction with Key Managerial Personnel

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
Remuneration (refer note 1 below)	216.08	148.57

Note 1: The remuneration to the key managerial personnel for the year ended December'20 includes the amounts paid for gratuity and compensated leave absence.

The remuneration to the key managerial personnel for the year ended December'19 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 23 : 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, 2020 and December 31, 2019 is as follows

Particulars	Carrying value	
	As at December 31, 2020 ₹ Lakhs	As at December 31, 2019 ₹ Lakhs
Financial assets		
Other financial assets.....	97.16	246.28
Trade receivables.....	852.34	518.97
Cash and other bank balances.....	459.22	619.81
Total	1,408.72	1,385.06
Financial Liabilities		
Trade payables	422.92	476.02
Other financial liabilities.....	129.55	-
Total	552.47	476.02

Notes to the Ind AS financial statements for the year ended December 31, 2020

The fair value of financial instruments by categories as at December 31, 2020 and December 31, 2019 is as follows

Particulars	Fair value	
	As at December 31, 2020 ₹ Lakhs	As at December 31, 2019 ₹ Lakhs
Financial assets		
Other financial assets.....	97.16	246.28
Trade receivables.....	852.34	518.97
Cash and other bank balances.....	459.22	619.81
Total	1,408.72	1,385.06
Financial Liabilities		
Trade payables	422.92	476.02
Other financial liabilities.....	129.55	-
Total	552.47	476.02

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, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
ACC Limited.....	1,418.50	2,283.61
Ambuja Cements Limited	1,229.97	1,869.43

The Company has only two customers, break up of which is given below:-

Particulars	For the year ended December 31, 2020 ₹ Lakhs	For the year ended December 31, 2019 ₹ Lakhs
ACC Limited.....	5.88	186.46
Ambuja Cements Limited	112.43	324.28

(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, 2020 (Carrying value)		
	Less than 1 Year	1-5 Years	5 years above
Financial assets			
Other financial assets.....	97.16	-	-
Trade receivables.....	852.34	-	-
Cash and other bank balances.....	459.22	-	-
Total	1,408.72	-	-
Financial Liabilities			
Trade payables	422.92	-	-
Other financial liabilities.....	129.55	-	-
Total	422.92	-	-

₹ 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	1,143.08	195.24	-
Financial Liabilities			
Trade payables	476.02	-	-
Other financial liabilities.....	-	-	-
Total	476.02	-	-

Note 24

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. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 10 February, 2021.

For and on behalf of the Board of Directors

Neeraj Akhoury

Director

DIN:07419090

Place: Mumbai

Date: 10th February, 2021**Rajani Kesari**

Director

DIN:02384170

Place: Mumbai

Date: 10th February, 2021**Sandeep Arora**

CEO

Place: Mumbai

Date: 10th February, 2021**Balaji Sheshadri**

CFO

Place: Mumbai

Date: 10th February, 2021

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, 2020.

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, 2020.

5. **MEETINGS OF THE BOARD**

During the year ended 31st December, 2020, the Board meetings were held on 13th January, 2020; 13th April, 2020; 12th May, 2020; 13th July, 2020; 1st September, 2020; and 12th October, 2020.

6. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

CESSATION

Mr. Suresh Chandra Joshi (DIN: 00770370), Director resigned from the Board w.e.f 31st August, 2020

RETIREMENT BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bhuwan Chandra Pandey (DIN: 08347185) 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.

APPOINTMENT

Ramarao Sukuru (DIN: 08846591) has been appointed as an Additional Director w.e.f 1st September, 2020.

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received a Notice from a Member signifying intention to propose the candidature for the appointment of Mr. Ramarao Sukuru as Director liable to retire by rotation.

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 2020.
- 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

Place: Mumbai
Date: 18th January, 2021

Ramarao Sukuru
Director
DIN No: 08846591

Vilas Deshmukh
Director
DIN No: 06693563

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st December 2020

[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	12 th 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 01.01.2020				No. of Shares held at the end of the year As on 31.12.2020				% 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 Other	-	-	-	-	-	-	-	-	-
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 01.01.2020				No. of Shares held at the end of the year As on 31.12.2020				% 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) FIs	-	-	-	-	-	-	-	-	-
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 ₹ 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)	-	750000	750000	100%	-	750000	750000	100%	-

ii. Shareholding of Promoters

Sr. No.	Shareholders name	Shareholding at the beginning of the year 01.01.2020			Shareholding at the end of the year 31.12.2020			% 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 : NI

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		108,035.00		108,035.00
2. Interest due but not paid		-		-
3. Interest accrued but not due		-		-
Total of (1 + 2 + 3)		108,035.00		108,035.00
Change in indebtedness during the year				
+ Addition		10,578.00		10,578.00
- Reduction		-		-
Net change		10,578.00		10,578.00
Indebtedness at the end of the Financial Year		118,613.00		118,613.00
1. Principal Amount		118,613.00		118,613.00
2. Interest due but not paid		-		-
3. Interest accrued but not due		-		-
Total of (1 + 2 + 3)		118,613.00		118,613.00

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	NIL	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act		
	(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 <ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 	NIL	
Total (1)		
2. Other Non-Executive Directors <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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	N/A	Penalty	N/A	N/A	N/A
		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. Cement Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M.G.T. Cement Private Limited ("the Company"), which comprise the Balance Sheet as at 31st December 2020, 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 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, 2020, and its loss, total comprehensive loss, 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.

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, 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company 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, 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2020 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 for which there were any material foreseeable losses.
 - 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
Chartered Accountants
(Firm Registration No. 007494C)

CA Suresh Pareek
Proprietor
(Membership No. 076526)
(UDIN:)

Place: Nagaur

Date: 18.01.2021

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, 2020 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, 2020, 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 : 27.01.2021

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 : 27.01.2021

Balance Sheet

As at 31st December, 2020

Particulars	Notes	As at 31.12.2020 ₹	As at 31.12.2019 ₹
ASSETS			
Current assets			
a) Financial Assets			
Cash and cash equivalents	4	6,789	26,437
Total - Current assets.....		6,789	26,437
TOTAL - ASSETS		6,789	26,437
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	5	7,500,000	7,500,000
b) Other Equity	6	(7,626,824)	(7,589,098)
Total Equity.....		(126,824)	(89,098)
Liabilities			
Current liabilities			
a) Financial liabilities			
i) Borrowings	7	118,613	108,035
ii) Other financial liabilities	8	15,000	7,500
Total - Current liabilities		133,613	115,535
TOTAL - LIABILITIES		6,789	26,437
See accompanying notes to the financial statements.			
In terms of our report attached			

For **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Suresh Pareek
Membership No. : 76526
Place : Nagaur
Date : 18.01.2021

Place : Mumbai
Date : 18.01.2021

Statement of Profit and Loss

For the year ended 31st December, 2020

Particulars	Notes	2020 ₹	2019 ₹
1 Income		-	-
2 Expenses			
Finance costs		10,578	8,035
Other expenses	9	27,148	87,617
Total Expenses		37,726	95,652
3 Loss for the year		(37,726)	(95,652)
4 Total comprehensive (Loss) for the year		(37,726)	(95,652)
5 Earnings per share (in ₹) (of ₹ 10 each)	10		
Basic		(0.05)	(0.13)
Diluted		(0.05)	(0.13)

See accompanying notes to the financial statements.
In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Suresh Pareek

Membership No. : 76526

Place : Nagaur

Date : 18.01.2021

Place : Mumbai

Date : 18.01.2021

Cash Flow Statement For the year ended 31st December, 2020

	2020 ₹	2019 ₹
Cash flows from operating activities		
Profit / (Loss) before tax	(37,726)	(95,652)
Adjustment for :		
	(37,726)	(95,652)
Operating loss before working capital changes	(37,726)	(95,652)
Adjustment for :		
Increase /(Decrease) in trade payables and other current liabilities	7,500	Nil
Cash generated from operations	(30,226)	(95,652)
Net cash used in operating activities	(30,226)	(95,652)
Cash flows from operating activities		
Borrowings - Inter corporate deposit	10,578	108,035
Net cash used in operating activities	10,578	108,035
Net decrease in cash & cash equivalents	(19,648)	12,383
Cash and cash equivalents at the beginning of the year	26,437	14,054
Cash and cash equivalents at the end of the period	6,789	26,437
	(19,648)	12,383
Components of cash and cash equivalents :		
With banks - in current accounts	6,789	26,437
Cash and cash equivalents at the the year end	6,789	26,437
See accompanying notes to the financial statements.		
In terms of our report attached		

For **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Suresh Pareek
Membership No. : 76526
Place : Nagaur
Date : 18.01.2021

Place : Mumbai
Date : 18.01.2021

Statement of Changes in Equity for the year ended 31st December, 2020

A Equity Share Capital

₹ in crore

Particulars	As at 31.12.2020	As at 31.12.2019
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 1 st 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 31 st December, 2019	9,299,690	(16,888,788)	(7,589,098)
Balance as at 1 st January, 2020	9,299,690	(16,888,788)	(7,589,098)
Loss for the period	-	(37,726)	(37,726)
Other comprehensive income (net of tax expenses)	-	-	-
Balance as at 31st December, 2020	9,299,690	(16,926,514)	(7,626,824)

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 **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Suresh Pareek

Membership No. : 76526

Place : Nagaur

Date : 18.01.2021

Place : Mumbai

Date : 18.01.2021

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.

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
4 Cash and cash equivalents		
Balances with banks In current account	6,789	26,437
Total	6,789	26,437

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
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 31.12.2020		As at 31.12.2019	
	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 31.12.2020 ₹	As at 31.12.2019 ₹
Ambuja Cements Limited, the holding company	7,500,000	7,500,000
7,50,000 (31 st December, 2018 - 7,50,000) equity shares of ₹ 10 each fully paid up		

c) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particular	As at 31.12.2020		As at 31.12.2019	
	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 31.12.2020 ₹	As at 31.12.2019 ₹
6 Other Equity		
Securities premium account.....	9,299,690.00	9,299,690.00
Retained earnings.....	(16,926,514.00)	(16,888,788.00)
Total	(7,626,824.00)	(7,589,098.00)
7 Borrowings		
Short term borrowings	118,613.00	108,035.00
Total	118,613.00	108,035.00
8 Other financial liabilities		
Audit Fee payable	15,000.00	7,500.00
Total	15,000.00	7,500.00

Notes to Financial Statements

Particular	As on 31.12.2020 ₹	As on 31.12.2019 ₹
9 Other Expenses		
Miscellaneous expenses*.....	27,148	87,617
Total	27,148	87,617
* 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	(37,726)	(95,652)
(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	(0.05)	(0.13)
Diluted.....	(0.05)	(0.13)

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	100,000.00
Interest expenses	10,578.00	8,035.00
Interest payable	18,613.00	8,035.00

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

12 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

13 Classification of Financial Assets and Liabilities

	As on 31.12.2020 ₹	As on 31.12.2019 ₹
Financial Assets at amortised cost :		
Cash and bank balances	6,789	26,437
Total	6,789	26,437
Financial Liabilities at amortised cost :		
Other financial liabilities.....	15,000	7,500
Total	15,000	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 **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Suresh Pareek

Membership No. : 76526

Place : Nagaur

Date : 18.01.2021

Place : Mumbai

Date : 18.01.2021

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, 2020.

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, 2020.

5. MEETINGS OF BOARD OF DIRECTORS

During the year ended 31st December, 2020, the Board meetings were held on 13th January, 2020; 13th April, 2020; 12th May, 2020; 13th July, 2020; 1st September, 2020; and 12th October, 2020.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

CESSATION

Mr. Suresh Chandra Joshi (DIN: 00770370), Director resigned from the Board w.e.f 31st August, 2020. The Board places on record their deep sense of gratitude and appreciation for the invaluable contribution rendered by Mr. Joshi.

APPOINTMENT

Mr. Ramarao Sukuru (DIN: 08846591) has been appointed as an Additional Director w.e.f 1st September, 2020 and will hold office upto the date of this Annual General Meeting

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received a Notice from a Member signifying intention to propose the candidature for the appointment of Mr. Ramarao Sukuru as Director liable to retire by rotation.

RETIREMENT BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bhuwan Chandra Pandey (DIN: 08347185) 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

- a) In conformity with the provisions under Section 134 which was introduced by the Companies Act, 2013 your directors confirm that:-
- b) In preparation of the Annual Accounts, the applicable accounting standards have been followed.
- c) 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 2020.
- d) 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.
- e) The Directors have prepared the Annual Accounts on a going concern basis.
- f) 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

Place: Mumbai
Date: 18th January, 2021

Sd/-
Ramarao Sukuru
Director
DIN No: 08846591

Sd/-
Vilas Deshmukh
Director
DIN No: 06693563

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st December 2020

[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 01.01.2020				No. of Shares held at the end of the year As on 31.12.2020				% 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%	-
a. Foreign					-				
b. NRI - Individuals	-	-	-	-	-	-	-	-	-
c. Other - Individuals	-	-	-	-	-	-	-	-	-
d. Body Corp.	-	-	-	-	-	-	-	-	NIL
e. Banks/ FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year As on 01.01.2020				No. of Shares held at the end of the year As on 31.12.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
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 01.01.2020			Shareholding at the end of the year 31.12.2020			% 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				
1. Principal Amount		12,800,000.00		12,800,000.00
2. Interest due but not paid		-		-
3. Interest accrued but not due		1,055,478.00		1,055,478.00
Total of (1+2+3)		13,855,478.00		13,855,478.00
Change in indebtedness during the year				
+ Addition	NIL	2,992,812.00	NIL	2,992,812.00
- Reduction		-		-
Net change		2,992,812.00		2,992,812.00
Indebtedness at the end of the Financial Year				
Principal Amount		14,300,000.00		14,300,000.00
Interest due but not paid		2,548,290.00		2,548,290.00
Interest accrued but not due		-		-
Total of (1+2+3)		16,848,290.00		16,848,290.00

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	NIL	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act		
	(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 <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	NIL
	Total (1)	
2.	2. Other Non-Executive Directors <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> 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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Chemical Limes Mundwa Private Limited ("the Company"), which comprise the Balance Sheet as at 31st December 2020, 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 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, 2020, and its loss, total comprehensive loss, 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.

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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company 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, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2020 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.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
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**
Chartered Accountants
(Firm Registration No.007494C)

Suresh Pareek
Proprietor
(Membership No. 076526)
(UDIN:)

Place: Nagaur

Date: 18th January, 2021

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, 2020 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, 2020, 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 : 27.01.2021

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 Rs.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 : 27.01.2021

Balance Sheet

As at 31st December, 2020

Particulars	Notes	As at 31.12.2020 ₹	As at 31.12.2019 ₹
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	1,49,75,272	1,54,38,016
b) Financial assets			
Loans	5	2,46,000	2,46,000
Other financial assets	6	13,23,668	12,05,325
Total - Non-current assets		1,65,44,940	1,68,89,341
2 Current assets			
a) Financial assets			
Cash and cash equivalents	7	4,18,213	4,45,758
Other financial assets			
b) Other current assets	8	78,229	63,891
Total - Current assets		4,96,443	5,09,649
TOTAL - ASSETS		1,70,41,383	1,73,98,990
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	5,14,00,000	5,14,00,000
b) Other equity	10	(5,13,15,501)	(4,93,63,988)
Total Equity		84,499	20,36,012
Liabilities			
Current liabilities			
a) Financial liabilities			
i) Borrowings	11	1,43,00,000	1,28,00,000
ii) Other financial liabilities	12	25,48,290	10,62,978
b) Other current liabilities	13	1,08,594	15,00,000
Total - Current liabilities		1,69,56,884	1,53,62,978
TOTAL - EQUITY AND LIABILITIES		1,70,41,383	1,73,98,990
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 : 18th January, 2021

For and on behalf of the Board

Vilas Deshmukh
Director

Place : Mumbai
Date : 18th January, 2021

Sukuru Ramarao
Director

Statement of Profit and Loss For the year ended 31st December, 2020

Particulars	Notes	2020 ₹	2019 ₹
1 Income			
Other income	12	1,32,681	72,388
Total Income		1,32,681	72,388
2 Expenses			
a) Finance costs	13	14,92,812	13,53,768
b) Depreciation and amortisation expense	14	4,62,744	4,62,744
c) Other expenses.....	15	1,28,639	10,21,827
Total Expenses		20,84,195	28,38,339
3 Loss for the year.....		(19,51,514)	(27,65,951)
4 Total comprehensive loss for the year		(19,51,514)	(27,65,951)
5 Earnings per share (in ₹) (of ₹ 10 each)	16		
Basic		(0.38)	(0.54)
Diluted.....		(0.38)	(0.54)
See accompanying notes to the financial statements.			

In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Suresh Pareek
Membership No. : 76526

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Place : Nagaur
Date : 18th January, 2021

Place : Mumbai
Date : 18th January, 2021

Cash Flow Statement For the year ended 31st December, 2020

Particulars	2020 ₹	2019 ₹
A Cash flows from operating activities		
Profit / (Loss) before tax	(19,51,514)	(27,65,951)
Adjustment for :		
Interest income	(1,32,681)	(72,388)
Finance costs	14,92,812	13,53,768
Depreciation and amortisation	4,62,744	4,62,744
	18,22,875	17,44,124
Operating loss before working capital changes	(1,28,639)	(10,21,827)
Adjustment for :		
Increase /(Decrease) in trade payables and other current liabilities	(13,98,906)	-
Decrease /(increase) in financial and other assets.....	(14,339)	(17,271)
	(14,13,245)	(17,271)
Cash generated from operations	(15,41,884)	(10,39,098)
Direct taxes (paid)/refund (net)		
Net cash used in operating activities (A)	(15,41,884)	(10,39,098)
B Cash flow from investing activities		
Interest received on fixed deposits.....	14,339	5,386
Cash flow from Financing activities (B)	14,339	5,386
C Cash Flow from Financing Activities		
Proceed from Ambuja Cements Ltd (ICD)	15,00,000	25,00,000
Interest paid	-	(12,02,402)
Cash flow from Financing activities (C)	15,00,000	12,97,598
Net increase/ decrease in cash & cash equivalents (A+B+C)	(27,545)	2,63,886
Cash and cash equivalents at the beginning of the year.....	4,45,758	1,81,872
Cash and cash equivalents at the end of the year	4,18,213	4,45,758
	(27,545)	2,63,886
Components of cash and cash equivalents :		
Cash on hand	-	-
With banks - in current accounts	4,18,213	4,45,758
Cash and cash equivalents at the the year end	4,18,213	4,45,758

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 : 18th January, 2021

For and on behalf of the Board

Vilas Deshmukh

Director

Place : Mumbai

Date : 18th January, 2021

Sukuru Ramarao

Director

Statement of Changes in Equity for the year ended 31st December, 2020

A Equity Share Capital

For the year ended 31st December, 2020

(Amount in ₹)

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
A) Equity share capital		
Opening balance	5,14,00,000	5,14,00,000
Increase / (Decrease) during the year	-	-
Closing balance	5,14,00,000	5,14,00,000

B Other Equity

For the year ended 31st December, 2019

(Amount in ₹)

Particulars	Reserves & surplus		
	Securities premium	Retained earnings	Total other equity
Balance as at 1st January, 2019	1,23,50,000	(5,89,48,037)	(4,65,98,037)
Loss for the period	-	(27,65,951)	(27,65,951)
Balance as at 31st December, 2019	1,23,50,000	(6,17,13,988)	(4,93,63,988)
Balance as at 1st January, 2020	1,23,50,000	(6,17,13,988)	(4,93,63,988)
Loss for the period	-	(19,51,514)	(19,51,514)
Balance as at 31st December, 2020	1,23,50,000	(6,36,65,501)	(5,13,15,501)

Description of reserves in statement of changes in equity

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 and on behalf of the Board

For **Suresh Pareek & Associates**
Chartered Accountants

Suresh Pareek
Membership No. : 76526

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Place : Nagaur
Date : 18th January, 2021

Place : Mumbai
Date : 18th January, 2021

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.

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

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 31.12.2020								
	Gross block				Accumulated Depreciation				Net block
	As at 1st January, 2020	Additions	Deductions/ Transfers	As at 31st December, 2020	As at 1st January, 2020	Additions	Deductions/ Transfers	As at 31st December, 2020	As at 31st December, 2020
Freehold non-mining land	1,22,18,994			1,22,18,994	8,10,960	2,02,740		10,13,700	1,12,05,294
Buildings	50,69,998			50,69,998	10,40,016	2,60,004		13,00,020	37,69,978
Total	1,72,88,992	-	-	1,72,88,992	18,50,976	4,62,744	-	23,13,720	1,49,75,272

Notes to Financial Statements

(Amount in ₹)

Particulars	As at 31.12.2019								
	Gross block				Accumulated Depreciation				Net block
	Deemed Cost as at 1st January, 2019	Additions	Deductions/ Transfers	As at 31st December, 2019	As at 1st January, 2019	Charge for the year	Deductions/ Transfers	As at 31st December, 2019	As at 31st December, 2019
Freehold non-mining land	1,22,18,994	-	-	1,22,18,994	6,08,220	2,02,740	-	8,10,960	1,14,08,034
Buildings	50,69,998	-	-	50,69,998	7,80,012	2,60,004	-	10,40,016	40,29,982
Total	1,72,88,992	-	-	1,72,88,992	13,88,232	4,62,744	-	18,50,976	1,54,38,016

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
5 Loans		
Others	2,46,000	2,46,000
Total	2,46,000	2,46,000
6 Other non-current financial assets		
Bank deposits with more than 12 months maturity	8,90,120	8,90,120
Interest accrued on FD	4,33,548	3,15,205
Total	13,23,668	12,05,325
7 Cash and cash equivalents		
Balances with banks In current accounts	4,18,213	4,45,758
Cash on hand	-	-
Total	4,18,213	4,45,758
8 Other current assets		
Unsecured, considered good		
Advances other than capital advances		
Others	78,229	63,891
Total	78,229	63,891

Particulars	As at 31.12.2020 No. of Shares	As at 31.12.2019 No. of Shares
9 Equity Share Capital		
Authorised		
5200000 Equity shares of ₹ 10 each	5,20,00,000	5,20,00,000
Total	5,20,00,000	5,20,00,000
Issued, subscribed and fully paid up		
5140000 Equity shares of ₹ 10 each fully paid up	5,14,00,000	5,14,00,000
Total	5,14,00,000	5,14,00,000

Notes:

a) Reconciliation of equity shares outstanding

	As at 31.12.2020		As at 31.12.2019	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,51,40,000	5,14,00,000	1,51,40,000	5,14,00,000
Increase / (decrease) during the year	-	-	0	-
At the end of the year	1,51,40,000	5,14,00,000	1,51,40,000	5,14,00,000

Notes to Financial Statements

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 31.12.2020	As at 31.12.2019
Ambuja Cements Limited, the holding company 5,140,000 (31st December, 2018 - 5,140,000) equity shares of ₹ 10 each fully paid up	5,14,00,000	5,14,00,000

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

	As at 31.12.2020		As at 31.12.2019	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company.....	51,40,000	100.00%	51,40,000	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 31.12.2020 ₹	As at 31.12.2019 ₹
10 Other Equity		
Securities premium account.....	1,23,50,000	1,23,50,000
Retained earnings.....	(6,36,65,501)	(6,17,13,988)
Total	(5,13,15,501)	(4,93,63,988)
11 Borrowings		
Inter corporate Deposit from Ambuja Cements Ltd.	1,43,00,000	1,28,00,000
Total	1,43,00,000	1,28,00,000
12 Other current financial liabilities		
Interest accrued but not due on ICD	25,48,290	10,55,478
Audit fee payable	-	7,500
Total	25,48,290	10,62,978
13 Other current liabilities		
Mayank Singh kachava	-	15,00,000
Others	1,08,594	
Total	1,08,594	15,00,000
14 Other Income		
Interest on bank fixed deposits.....	1,32,681	72,388
Total	1,32,681	72,388
15 Finance costs		
Interest on ICD	14,92,812	13,53,768
Total	14,92,812	13,53,768

Notes to Financial Statements

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
16 Depreciation		
Depreciation on tangible Assets	4,62,744	4,62,744
Total	4,62,744	4,62,744
17 Other Expenses		
Lease dead rent	(0)	8,75,168
Legal and professional charges.....	21,930	43,490
Miscellaneous expenses *	1,06,709	1,03,169
Total	1,28,639	10,21,827
*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	(19,51,514)	(27,65,951)
(ii) Weighted average number of equity shares for basic EPS	51,40,000	51,40,000
Weighted average number of shares for diluted EPS	51,40,000	51,40,000
(iii) Nominal value of equity share (in ₹)	10	10
(iv) Earnings per equity share (in ₹)		
Basic	(0.38)	(0.54)
Diluted	(0.38)	(0.54)
19 Contingent liabilities (to the extent not provided for)		
Matters for which the company is contingently liable		
Disputed Land tax demand	3,39,80,800	3,39,80,800

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	
	2020 ₹	2019 ₹
Loans Received	15,00,000	25,00,000
Interest expenses	14,92,812	13,53,768
Amount outstanding as on Balance Sheet date	1,43,00,000	1,28,00,000

Notes to Financial Statements

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.

22 Classification of Financial Assets and Liabilities

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
Financial Assets at amortised cost :		
Non-current loans.....	2,46,000	2,46,000
Cash and bank balances.....	4,18,213	4,45,758
Other financial assets.....	13,23,668	12,05,325
Total	17,41,881	16,51,084
Financial Liabilities at amortised cost :		
Borrowings	1,43,00,000	1,28,00,000
Other financial liabilities.....	25,48,290	10,62,978
Total	1,68,48,290	1,38,62,978

Previous years' figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

In terms of our report attached

For **Suresh Pareek & Associates**
Chartered Accountants

For and on behalf of the Board

Suresh Pareek
Membership No. : 76526

Vilas Deshmukh
Director

Sukuru Ramarao
Director

Place : Nagaur
Date : 18th January, 2021

Place : Mumbai
Date : 18th January, 2021

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 of the Balance Sheet as at 31st December, 2020, 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, 2020, 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 (SAs) specified under section 143(10) of the Act. 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. I have determined that there are no key audit matters to communicate in my report.

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 the course 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 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 standalone 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2020 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 to 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 : 18th January 2021

UDIN :21048684AAAABM5629

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 2020 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 31st December 2020. 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 Rs. 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	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 Rs.27.42 Lacs).

Amount of ₹ 1.23 Lacs is deposited under protest.

The above amounts exclude interest and penalty.

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 Daga

Chartered Accountant

Proprietor

Membership No. 048684

Place: Nashik

Date : 18th January 2021

UDIN :21048684AAAABM5629

ANNEXURE 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, 2020

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, 2020 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 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

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, 2020, 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.

Anand S. Daga

Chartered Accountant

Proprietor

Membership No. 048684

Place: Nashik

Date : 18th January 2021.

UDIN No. : 21048684AAAAABM5629

Balance Sheet

As at 31st December, 2020

	Note	As at 31-12-20 ₹	As at 31-12-19 ₹
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	5,85,57,530	6,79,54,446
Intangible assets	4	-	-
Financial Assets			
Other financial assets	5	41,05,232	38,78,450
Non - current tax assets (net)		55,28,097	59,76,181
Deferred tax assets/MAT	6	2,91,08,720	2,91,08,720
Other non-current assets	7	36,15,050	46,95,802
Sub total - Non-current assets		10,09,14,629	11,16,13,599
Current assets			
Inventories	8	70,42,015	49,52,902
Financial Assets			
Trade receivables	9	4,38,31,469	9,29,84,973
Cash and cash equivalents	10	66,36,983	81,85,400
Bank balances other than cash and cash equivalents	11	29,29,500	27,62,738
Other financial assets	5	5,08,891	7,22,217
Other current assets	12	48,11,431	1,28,97,914
Sub total - Current assets		6,57,60,288	12,25,06,144
TOTAL - ASSETS		16,66,74,918	23,41,19,743
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital		2,07,53,830	2,07,53,830
Other Equity		(35,75,19,485)	(34,67,01,579)
Sub total - Equity attributable to owners		(33,67,65,655)	(32,59,47,749)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	17,63,63,912	10,19,50,940
Provisions	16	96,41,026	93,16,804
Sub total - Non-current liabilities		18,60,04,938	11,12,67,744
Current liabilities			
Financial Liabilities			
Borrowings	14	20,30,00,000	27,74,12,972
Trade payables	17	1,63,65,822	2,95,66,934
Other financial liabilities	15	9,23,54,064	13,74,55,233
Other current liabilities	18	51,06,442	41,22,482
Provisions	16	6,09,307	2,42,128
Sub total - Current liabilities		31,74,35,634	44,87,99,748
TOTAL - EQUITY AND LIABILITIES		16,66,74,918	23,41,19,743

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

Umesh Soni

Director

DIN : 08345578

Place : Nashik

Date : 18th January 2021

Statement of Profit and Loss

For the year ended 31st December, 2020

	Note	2020 ₹	2019 ₹
Income			
Revenue from operations	19	16,47,07,624	24,62,23,088
Other income	20	7,56,009	8,64,344
Total Income		16,54,63,634	24,70,87,431
Expenses			
Cost of raw materials consumed	21	3,18,24,142	6,90,58,670
Changes in inventories of finished goods, work-in-progress	22	(4,71,758)	2,88,240
Employee benefits expense	23	3,48,95,589	3,85,46,575
Depreciation and amortisation expense	24	1,17,33,942	1,68,16,178
Power and fuel		1,08,09,610	1,76,41,575
Finance costs	25	4,64,36,282	4,62,97,552
Freight and forwarding expenses	26	57,30,498	1,68,02,945
Other expenses	27	3,47,77,434	4,68,81,683
		17,57,35,738	25,23,33,418
Total expenses		17,57,35,738	25,23,33,418
Profit / (Loss) before tax		(1,02,72,105)	(52,45,986)
Tax expense :			
Relating to earlier years		-	-
Deferred Tax/MAT		-	-
		-	-
Profit / (Loss) for the year		(1,02,72,105)	(52,45,986)
Other comprehensive Income			
Items not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(5,45,801)	9,75,807
Other comprehensive income for the year, net of tax		(5,45,801)	9,75,807
Total comprehensive income/ (Loss) for the year		(1,08,17,906)	(42,70,179)
Earnings per share {in ₹} {of ₹10 each} :	28		
Basic		(4.95)	(2.53)
Diluted		(4.95)	(2.53)
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

Umesh Soni

Director

DIN : 08345578

Place : Nashik

Date : 18th January 2021

UDIN : 21048684AAAABM5629

Cash Flow Statement For the year ended 31st December, 2020

	For the period 31-12-20 ₹	For the period 31-12-19 ₹
Cash flow from operating activities		
Net Profit / (Loss) before tax	(1,02,72,105)	(52,45,986)
Adjustments for :		
Depreciation and amortisation	1,17,33,942	1,68,16,178
(Profit)/Loss on sale of Property, Plant & Equipment discarded and written off (net) ..	-	(8,000)
Finance costs	4,64,36,282	4,62,97,552
Interest income	(7,35,109)	(6,71,469)
Provision for slow and non moving inventory	6,08,541	18,42,596
Provision for doubtful debts	1,70,742	4,80,276
	<u>5,82,14,398</u>	<u>6,47,57,133</u>
Operating profit before working capital changes	4,79,42,293	5,95,11,147
Adjustment for :		
Decrease / (Increase) Trade receivables, Financial and Non Financial assets	5,81,30,424	(1,97,51,185)
Decrease / (Increase) Inventories	(26,97,654)	6,62,508
Increase / (Decrease) Trade payables and Financial and Non Financial liabilities and provisions	<u>(1,34,32,203)</u>	<u>-</u>
	<u>4,20,00,567</u>	<u>(5,61,03,446)</u>
Cash generated from / (used in) operations	8,99,42,860	34,07,701
Direct tax/ MAT Credit (net of refunds)	4,48,084	15,39,771
Net cash flow from / (used in) operating activities (A)	9,03,90,944	49,47,472
Cash flow from investing activities		
Purchase of Property, Plant & Equipment	(23,49,063)	(36,99,655)
Proceed from sale of Property, Plant & Equipment	12,037	8,000
Investment in bank deposit (having original maturity of more than 3 months)	(1,66,762)	(1,56,068)
Interest received	<u>7,41,227</u>	<u>7,73,804</u>
Net cash flow from / (used in) investing activities (B)	(17,62,561)	(30,73,919)
Cash flow from financing activities		
Interest paid	(9,01,76,800)	(1,48,69,363)
Net cash flow from / (used in) financing activities (C)	(9,01,76,800)	(1,48,69,363)
Net increase / (decrease) in cash & cash equivalent (A+B+C)	(15,48,417)	(1,29,95,810)
Cash and cash equivalent at the end of the period	66,36,983	81,85,400
Cash and cash equivalent at the beginning of the period	<u>81,85,400</u>	<u>2,11,81,210</u>
	<u>(15,48,417)</u>	<u>(1,29,95,810)</u>
Components of cash and cash equivalents		
Cash on hand	-	-
With banks -		
In current account	66,36,983	81,85,400
Cash and bank balance as per note 10	<u>66,36,983</u>	<u>81,85,400</u>

Notes :

- Figures in brackets represent cash outflow.
- 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.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 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

For and on behalf of the Board of Directors

Anand Daga

Chartered Accountant

Proprietor

Membership No. 048684

Vilas Deshmukh

Chairman

DIN : 06693563

Umesh Soni

Director

DIN : 08345578

Place : Nashik

Date : 18th January 2021

UDIN : 21048684AAAABM5629

Statement of Changes in Equity for the year ended 31st December, 2020

	As at 31.12.2020 ₹	As at 31.12.2019 ₹
A. A. Equity		
Opening Balance	2,07,53,830	2,07,53,830
Changes during the year	-	-
Closing Balance	<u>2,07,53,830</u>	<u>2,07,53,830</u>

B. Other Equity

For the year Ended 31 December 2020

(Amount in ₹)

	Reserves & surplus - ₹		Total equity ₹
	General Reserve	Retained Earnings	
Balance as at 1 January, 2020	3,60,83,142	(38,27,84,721)	(34,67,01,579)
(Loss) for the year	-	(1,02,72,105)	(1,02,72,105)
Remeasurement gain/(loss) on defined benefit plan	-	(5,45,801)	(5,45,801)
Balance Sheet as at 31st December, 2020	<u>3,60,83,142</u>	<u>(39,36,02,626)</u>	<u>(35,75,19,485)</u>

For the year Ended 31st December, 2019

(Amount in ₹)

	Reserves & surplus - ₹		Total equity ₹
	General Reserve	Retained Earnings	
Balance as at 1 January, 2019	3,60,83,142	(37,85,14,541)	(34,24,31,399)
Profit for the year	-	(52,45,986)	(52,45,987)
Remeasurement gain/(loss) on defined benefit plan	-	9,75,807	9,75,807
Other Comprehensive Income/(Loss) for the year	-	-	-
Total Comprehensive Income/(Loss) for the year	-	(42,70,179)	(42,70,179)
Dividends (Includes Distribution tax)	-	-	-
Transfer to retained Earnings	-	-	-
Transfer from retained Earnings	-	-	-
Balance Sheet as at 31st December, 2019	<u>3,60,83,142</u>	<u>(38,27,84,721)</u>	<u>(34,67,01,579)</u>

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

Umesh Soni

Director

DIN : 08345578

Place : Nashik

Date : 18th January 2021

UDIN : 21048684AAAABM5629

Notes to Financial Statements

1 Corporate Information :

The Company is a Private Limited Company domiciled in India and incorporated under the provision of Companies act applicable in India. It is wholly owned Subsidiary of Ambuja Cements Limited. 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 :

- a. 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:

- Defined benefit plans – Liability measured at fair value.

Financial statements are presented in Indian Rupees (INR).

- b. Impact of COVID - 19 –

Company's operations were affected during, 2020 due to lockdown announced by State / Central Government on account of COVID -19 . The Company has considered the possible effects which may result from COVID -19 pandemic on the carrying value of its assets including the recoverability of carrying amount of financial and non-financial assets and expects to recover carrying amount of these assets in ordinary course of business. The company is continuously monitoring any material changes in future economic conditions. Company has re-started its operations in compliance of guidelines issued by Government of India after seeking necessary permissions and approvals and following Social distancing, hygiene and other safety measures.

3 Significant Accounting Policies :

a. Property, plant and equipment :

- 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 recognized 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 respective assets if the recognition criteria for a provision are met.
- 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 consequent impact in the statement of profit and loss.
- 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".
- 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 derecognized.
- 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 :

- Tangible Assets :
 - Depreciation on assets is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.
 - 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.
 - 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.
- Intangible Assets :
 - Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.
 - Expenditure on computer software is amortized on straight line method over the period of expected benefit not exceeding five years.
 - 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.
 - 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.

Notes to Financial Statements

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 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 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 recognized 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, 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 recognized as income or expenses in the year in which they arise.

g. Revenue recognition :

- i. Revenue is recognized 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 net of GST, discounts and sales return, as applicable.

b) Rendering of services

Revenue from services is recognized (net of GST) 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

Notes to Financial Statements

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.

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 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 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.

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.

Minimum alternate tax (MAT)

Deferred tax assets include 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.

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, Sales & Marketing Manager. They assess the financial performance and position of the Company and make 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.

Notes to Financial Statements

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/Professionals. 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.

Notes to Financial Statements

4 Property, Plant and Equipment

(Amount in ₹)

Particulars	As at 31.12.2020								
	Gross block				Depreciation and Amortisation				Net block
	As at 01.01.2020	Additions	Deductions /Transfer	As at 31.12.2020	As at 01.01.2020	Additions #	Deductions / Transfer #	As at 31.12.2020	As at 31.12.2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(A) Tangible assets									
Freehold land	72,70,210	-	-	72,70,210	-	-	-	-	72,70,210
Buildings and roads	4,77,50,733	3,66,028		4,81,16,761	82,73,214	16,88,308		99,61,522	3,81,55,239
Plant and machinery	8,73,41,229	10,81,670		8,84,22,899	7,03,19,891	87,53,485		7,90,73,376	93,49,523
Electrical installations	58,23,641			58,23,641	41,69,902	7,59,285		49,29,187	8,94,454
Furniture and fixtures	35,62,695	20,806		35,83,501	16,43,423	1,37,230		17,80,653	18,02,848
Office & Other equipments	8,32,225	8,80,560	36,188	16,76,597	2,31,806	3,89,979	24,150	5,97,635	10,78,962
Vehicles	34,618	-	-	34,618	22,669	5,655		28,324	6,294
Total Tangible assets	15,26,15,351	23,49,064	36,188	15,49,28,227	8,46,60,905	1,17,33,942	24,150	9,63,70,697	5,85,57,530
(B) Intangible assets	-	-	-	-	-	-	-	-	-
Computer software	11,23,477	-	-	11,23,477	11,23,477	-	-	11,23,477	-
Total Intangible assets	11,23,477	-	-	11,23,477	11,23,477	-	-	11,23,477	-
Total (A+B+C)	15,37,38,828	23,49,064	36,188	15,60,51,704	8,57,84,382	1,17,33,942	24,150	9,74,94,174	5,85,57,530

(Amount in ₹)

Particulars	As at 31.12.2019								
	Gross block				Depreciation and Amortisation				Net block
	Deemed cost as at 01.01.2019 (Refer Note 4 A)	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	72,70,210	-	-	72,70,210	-	-	-	-	72,70,210
Buildings and roads	4,77,50,733	-	-	4,77,50,733	65,91,691	16,81,523		82,73,214	3,94,77,519
Plant and machinery	8,45,78,343	27,62,886	-	8,73,41,229	5,65,12,645	1,38,07,246		7,03,19,891	1,70,21,338
Electrical installations	55,00,141	3,23,500	-	58,23,641	31,88,050	9,81,852		41,69,902	16,53,739
Furniture and fixtures	34,45,554	1,17,141	-	35,62,695	14,68,122	1,75,301		16,43,423	19,19,272
Office & Other equipments	4,11,287	4,96,128	75,190	8,32,225	1,42,419	1,64,577	75,190	2,31,806	6,00,419
Vehicles	34,618	-	-	34,618	16,990	5,679		22,669	11,949
Total Tangible assets	14,89,90,886	36,99,655	75,190	15,26,15,351	6,79,19,917	1,68,16,178	75,190	8,46,60,905	6,79,54,446
(B) Intangible assets									
Computer software	11,23,477	-	-	11,23,477	11,23,477	-	-	11,23,477	-
Total Intangible assets	11,23,477	-	-	11,23,477	11,23,477	-	-	11,23,477	-
Total (A+B+C)	15,01,14,363	36,99,655	75,190	15,37,38,828	6,90,43,394	1,68,16,178	75,190	8,57,84,382	6,79,54,446

Notes to Financial Statements

	Non-Current		Current	
	As at 31.12.2020	As at 31.12.2019	As at 31.12.2020	As at 31.12.2019
	₹	₹	₹	₹
5 Other Financial Assets				
Advances to Employees	-	-	1,32,723	3,39,931
Interest Accrued on Deposits and investment	-	-	3,76,168	3,82,286
Fixed Deposit With Bank with maturity greater than twelve months*	41,05,232	38,78,450	-	-
Total	41,05,232	38,78,450	5,08,891	7,22,217

(*Lodged as Security with Government departments.)

	Non-Current		Current	
	As at 31.12.2020	As at 31.12.2019	As at 31.12.2020	As at 31.12.2019
	₹	₹	₹	₹
6 Deferred tax assets/MAT				
MAT credit entitlement	2,91,08,720	2,91,08,720		
	2,91,08,720	2,91,08,720		
7 Other Non- Current Assets				
Security Deposits	33,42,859	37,81,358		
Balance with Government Authorities	2,72,191	9,14,444		
Total	36,15,050	46,95,802		

	Non-Current		Current	
			As at 31.12.2020	As at 31.12.2019
			₹	₹
8 Inventories				
(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)				
Raw materials.....			9,61,126	2,07,765
Finished goods.....			6,21,727	1,49,969
Stores and spares parts.....			25,91,668	28,41,347
Packing materials.....			28,67,494	17,53,821
Total			70,42,015	49,52,902
9 Trade Receivables				
Unsecured, considered good			4,38,31,469	9,29,84,973
Unsecured, considered doubtful.....			42,75,010	41,04,268
			4,81,06,479	9,70,89,241
Less:- Provision for Doubtful receivables			42,75,010	41,04,268
Total			4,38,31,469	9,29,84,973

Notes to Financial Statements

	As at 31.12.2020 ₹	As at 31.12.2019 ₹	As at 31.12.2020 ₹	As at 31.12.2019 ₹
10 Cash and cash Equivalents				
Balances with banks				
In current accounts.....	-	-	66,36,983	81,85,400
Cash on hand.....	-	-	-	-
Total	-	-	66,36,983	81,85,400
11 Bank balances other than Cash and cash Equivalents				
Fixed deposit with banks *				
Original maturity more than 3 months and upto 12 months.....	-	-	29,29,500	27,62,738
Total	-	-	29,29,500	27,62,738
12 Other Current Assets				
Balance with Government Authorities	-	-	84,558	84,558
Advances to Suppliers	-	-	2,84,019	81,21,596
Prepaid Expenses	-	-	4,42,521	6,91,427
Deposit in court regarding Flyash dispute with Mahagenco (Net)....	-	-	40,00,333	40,00,333
Total	-	-	48,11,431	1,28,97,914

	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
13 Equity Share Capital				
Share capital				
Authorised				
Equity shares of ₹10 each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Issued, Subscribed and fully paid-up				
Equity shares of ₹10 each fully paid-up	20,75,383	2,07,53,830	20,75,383	2,07,53,830
(a) Reconciliation of equity shares outstanding				
At the beginning of the year	20,75,383	2,07,53,830	20,75,383	2,07,53,830
At the end of the year	20,75,383	2,07,53,830	20,75,383	2,07,53,830
b) Equity shares held by holding company, ultimate holding company and their subsidiaries				
Ambuja Cements Limited.....	20,75,383	2,07,53,830	20,75,383	2,07,53,830
c) List of shareholders holding more than 5% of paid up Equity Share Capital				

	As at 31.12.2020		As at 31.12.2019	
	No. of shares	% holding	No. of shares	% Holding
Ambuja Cements Limited	20,75,383	100%	20,75,383	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 of equity share is entitled to one vote per equity share.
- 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.

Notes to Financial Statements

	Non-Current		Current	
	As at 31.12.2020 ₹	As at 31.12.2019 ₹	As at 31.12.2020 ₹	As at 31.12.2019 ₹
14 Borrowings				
Unsecured				
Term Loans				
Loan from Ambuja Cements Limited #	17,63,63,912	10,19,50,940	-	7,44,12,972
Inter - Corporate deposit from Ambuja Cements Limited	-	-	20,30,00,000	20,30,00,000
Total	17,63,63,912	10,19,50,940	20,30,00,000	27,74,12,972
# Loan and Inter-Corporate deposit from Ambuja Cements Limited carries interest rate of 12% p.a.				
15 Other Financial Liabilities				
Interest accrued but not due - Ambuja Cements Limited	-	-	9,22,41,396	13,66,42,565
Security and other deposits	-	-	1,12,668	8,12,668
Total	-	-	9,23,54,064	13,74,55,233
16 Provision	96,41,026	93,16,804	6,09,307	2,42,128
Provision for gratuity and staff benefit schemes	96,41,026	93,16,804	6,09,307	2,42,128
17 Trade Payables				
Trade Payables	-	-	1,63,65,822	2,95,66,934
Due to micro and small enterprises (To the extent identified with available information)	-	-	-	-
Total	-	-	1,63,65,822	2,95,66,934
18 Other Current Liabilities				
Advance from customers and others	-	-	3,34,798	4,25,645
Statutory dues	-	-	27,74,113	15,64,052
Others	-	-	19,97,530	21,32,784
Total	-	-	51,06,442	41,22,482
			2020	2019
			₹	₹
19 Revenue from Operations				
Sale of product				
Sale of Goods			3,45,16,674	7,99,89,145
			3,45,16,674	7,99,89,145
Other operating revenue				
Revenue from Jobwork*			11,21,36,433	11,49,77,622
By-product revenue			1,75,12,442	5,10,32,029
Sale of scrap			5,42,075	2,24,292
			13,01,90,950	16,62,33,943
Total			16,47,07,624	24,62,23,088

* Revenue From Jobwork Includes material sales

Notes to Financial Statements

	2020 ₹	2019 ₹
20 Other Income		
Interest Income	7,35,109	6,71,469
Profit on sale of assets	-	8,000
Misc. Income	20,900	1,84,875
Total	7,56,009	8,64,344
21 Cost of Raw Material Consumed		
Opening stock	2,07,765	4,18,777
Add: Purchases	3,25,77,503	6,88,47,658
Less: Closing stock	9,61,126	2,07,765
Total	3,18,24,142	6,90,58,670
22 Change in inventories of finished goods, work in progress		
Closing stock		
Finished goods - closing	6,21,727	1,49,969
	6,21,727	1,49,969
Opening stock		
Finished goods - opening	1,49,969	4,38,209
	1,49,969	4,38,209
Total	(4,71,758)	2,88,240
23 Employee Benefit Expenses		
Salaries and wages	3,08,52,207	3,36,35,730
Contribution to provident and other funds	24,79,006	25,27,900
Staff welfare expenses	15,64,376	23,82,945
Total	3,48,95,589	3,85,46,575
24 Depreciation and Amortisation Expenses		
Depreciation on tangible assets	1,17,33,942	1,68,16,178
Amortisation on intangible assets	-	-
Total	1,17,33,942	1,68,16,178
25 Finance Cost		
Interest on borrowings	4,56,48,391	4,55,23,670
Interest Expenses - Defined Employee Benefits	6,60,651	7,55,684
On others	1,27,240	18,198
Total	4,64,36,282	4,62,97,552

Notes to Financial Statements

	2020 ₹	2019 ₹
26 Freight and Forwarding Expenses		
On finished products.....	57,30,498	1,68,02,945
Total	57,30,498	1,68,02,945
27 Other Expenses		
Stores and spares consumed	25,73,321	27,39,350
Packing material consumed.....	21,60,650	41,88,588
Repairs and maintenance		
Building	11,63,592	8,44,035
Machinery.....	21,05,918	28,88,557
Other.....	2,16,255	1,64,540
Rent	1,10,000	1,42,000
Rates and taxes	2,83,459	2,63,511
Insurance	13,20,478	7,40,735
Advertisement and publicity	6,000	6,000
Donation	16,002	11,000
Other Outsourced Services - Material Handling	1,37,49,539	1,93,52,274
Miscellaneous expenses*.....	1,10,72,221	1,55,41,093
Total	3,47,77,434	4,68,81,683
* Miscellaneous expenses include payment to auditors (excluding of taxes)		
Statutory auditor.....		
as auditor.....	7,00,000	7,00,000
for other services.....	3,00,000	3,00,000
	10,00,000	10,00,000
28 Earnings per equity share (EPS) :		
(i) Profit/ (Loss) attributable to equity shareholders for basic and diluted EPS	(1,02,72,105)	(52,45,986)
(ii) Weighted average number of equity shares for basic EPS.....	20,75,383	20,75,383
Weighted average number of shares for diluted EPS	20,75,383	20,75,383
(iii) Nominal value of equity share (in ₹).....	10	10
(iv) Earnings per equity share (in ₹).....		
Basic	(4.95)	(2.53)
Diluted.....	(4.95)	(2.53)

29 Segment reporting (Ind AS 108)

The Company is exclusively 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)

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

2020 ₹	2019 ₹
-	37,94,000

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 Ambuja Cements Limited, India	Ultimate Holding Company Holding Company
II Key Management Personnel	-
III Relatives of Key Management Personnel	-
IV Others-with whom transactions have taken place during the period	-

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 2020 ₹	During the year 2019 ₹
A Transactions with Holding Company		
1 Sale of Goods		
Ambuja Cements Limited	8,73,579	56,90,076
	<u>8,73,579</u>	<u>56,90,076</u>
2 Providing services - Job work		
Ambuja Cements Limited	13,23,20,991	13,56,73,594
	<u>13,23,20,991</u>	<u>13,56,73,594</u>
3 Interest Paid / Provided		
Ambuja Cements Limited	4,56,48,391	4,55,23,670
	<u>4,56,48,391</u>	<u>4,55,23,670</u>
	As at 2020 ₹	As at 2019 ₹
4 Loan taken outstanding at the end of the year		
Ambuja Cements Limited	37,93,63,912	37,93,63,912
	<u>37,93,63,912</u>	<u>37,93,63,912</u>

Notes to Financial Statements

	As at 2020 ₹	As at 2019 ₹
6 Amount Receivable		
Ambuja Cements Limited	3,28,07,836	7,80,73,859
	3,28,07,836	7,80,73,859
7 Amount Payable		
Ambuja Cements Limited	9,22,41,396	13,66,42,565
	9,22,41,396	13,66,42,565

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 :

	2020 ₹	2019 ₹
Contribution to employees' provident fund organisation	15,75,767	14,44,661
Others	1,97,838	3,29,413
Total	17,73,605	17,74,074

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 31.12.2020	Other non funded 31.12.2019
I Change in defined benefit obligation during the year		
1 Present value of defined benefit obligation at the beginning of the year	95,58,932	94,44,844
2 Current service cost	7,05,401	7,53,861
3 Interest cost.....	6,60,651	7,55,684
4 Past service cost.....	-	-
5 Actuarial (gains) / losses	5,45,801	(9,75,807)
6 Benefits payments.....	(12,20,452)	(4,19,650)
7 Present value of defined benefit obligation at the end of the year	1,02,50,333	95,58,932
II Expense recognised in the statement of profit and loss		
1 Current service Cost.....	7,05,401	7,53,861
2 Interest cost.....	6,60,651	7,55,684
3 Past service cost.....	-	-
4 Expected return on plan assets.....	-	-
5 Total expenses recognised in the statement of profit and loss.....	13,66,052	15,09,545
III Re-measurements recognised in Other Comprehensive income (OCI)		
1 Return on Plan assets (excluding amount included in net interest expenses).....	-	-
2 Actuarial (gain)/losses arising from changes in demographic assumption.....	-	(225)
3 Actuarial (gain)/losses arising from changes in financial assumption	12,32,335	(3,92,040)
4 Actuarial (gain)/losses arising from changes in experience adjustment on plan liabilities	(6,86,533)	(5,83,543)
5 Total recognised in Other Comprehensive income	5,45,802	(9,75,807)
6 Total recognised in Total Comprehensive income	19,11,854	5,33,738

Notes to Financial Statements

Particulars		Other non funded 31.12.2020	Other non funded 31.12.2019
IV	Net Asset / (Liability) recognised in the Balance Sheet		
1	Present value of defined benefit obligation	1,02,50,333	95,58,932
2	Fair value of plan assets.....	-	-
3	Funded status [surplus / (deficit)]	(1,02,50,333)	(95,58,932)
4	Net asset / (liability)	(1,02,50,333)	(95,58,932)
V	Actuarial assumptions:		
1	Discount rate.....	6.25% p.a.	7% p.a.
2	Expected rate of return on plan assets.....	0% p.a.	0% p.a.
3	Mortality.....	IALM (2012-14)	IALM (2012-14)
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.....	7% p.a.	6.5% p.a.
VI	Maturity profile of defined benefit obligation		
1	Within the next 12 months	6,09,307	2,42,128
2	Between 1 and 5 years	20,23,743	21,79,117
3	Between 5 and 10 years	43,12,729	45,42,745
VII	Sensitivity Analysis for significant assumption		
	Discount Rate		
	1% Increase	92,48,584	86,75,090
	1% Decrease	1,14,12,237	1,05,80,342
	Salary escalation rate		
	1% Increase	1,13,91,880	1,05,75,233
	1% Decrease	92,46,383	86,63,399

	2020		2019	
	₹	%	₹	%
34. (a) Raw materials consumed :				
(i) Imported	-	-	-	-
(ii) Indigenous	3,18,24,142	100.00	6,90,58,670	100.00
Total	3,18,24,142	100.00	6,90,58,670	100.00
(b) Spares consumed :				
(i) Imported	40,886	1.59	88,458	3.23
(ii) Indigenous	25,32,435	98.41	26,50,892	96.77
Total	25,73,321	100.00	27,39,350	100.00

Notes to Financial Statements

		Foreign Currency	In ₹	Foreign Currency	In ₹
35. Unhedged foreign currency exposure					
Outstanding trade receivables	In USD	-	-	-	-
				2020	2019
				In ₹	In ₹
36. CIF value of imports :					
(i) Components and spare parts.....				-	96,605
37. Expenditure in foreign currency (accrual basis) :					
(i) Spares for machinery.....				-	90,280
38. Earnings in foreign exchange (accrual basis) :					
(i) F.O.B. value of exports.....				-	1,59,104
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.

Notes to Financial Statements

	As at 31.12.2020 ₹	As at 31.12.2019 ₹
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 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

Umesh Soni
Director
DIN : 08345578

Place : Nashik
Date : 18th January 2021
UDIN : 21048684AAAABM5629

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 2020, 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 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, 2020, and its loss, total comprehensive loss, 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.

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, 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company 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, 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.
 - 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) 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
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are 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 for which there were any material foreseeable losses.
 - iii. Investor Education and Protection Fund is not applicable to the company.

For **B&B Associates**
Chartered Accountants
(Firm Registration No. 100)-ICAN

BM Dhungana
Managing Partner
(Membership No. 327)
(UDIN: 210201CAOO327NdD8b)

Place: Lalitpur, Nepal
Date: 2021/02/01 A.D

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(e) 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, 2020)
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 **Dang Cement Industries Private Limited** (“the Company”) as of December 31, 2020 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, 2020, 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 B&B Associates
Chartered Accountants
(Firm Registration No. 100)-ICAN

BM Dhungana
Managing Partner
(Membership No. 327)
(UDIN: 210201CAOO327NdD8b)

Place: Lalitpur, Nepal
Date: 2021/02/01 A.D

Balance Sheet

As at 31st December, 2020

	Notes	As at 31.12.2020 ₹	As at 31.12.2019 ₹
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	4,18,99,797	4,20,81,560
Capital work-in-progress		-	-
Financial Assets			
Others	5	2,50,000	2,50,000
Sub total - Non-current assets		4,21,49,797	4,23,31,560
Current assets			
Financial Assets			
(i) Cash and cash equivalents	6	46,91,198	85,24,011
(ii) Bank balances other than (i) above	7	1,25,00,000	1,87,50,000
(iii) Others	8	1,56,646	2,78,361
Other current assets	9	73,04,039	60,53,349
Sub total - Current assets		2,46,51,883	3,36,05,721
TOTAL - ASSETS		6,68,01,679	7,59,37,281
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	13,84,12,188	13,84,12,188
Other Equity	11	(7,17,32,336)	(6,25,51,647)
Sub total - Equity attributable to owners		6,66,79,851	7,58,60,541
Non-Current Liabilities			
Deferred Tax Liabilities	12	656	656
Current liabilities			
Financial Liabilities			
Other financial liabilities	13	1,21,172	76,084
Sub total - Current liabilities		1,21,172	76,084
TOTAL - EQUITY AND LIABILITIES		6,68,01,679	7,59,37,281

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)

Rajiv Gandhi
Director

Sanjeev Saraswat
Director

Place : Kathmandu
Date : 1st February 2021

Statement of Profit and Loss

For the year ended 31st December, 2020

Particulars	Notes	For the year ended 31st December 2020 ₹	For the year ended 31st December 2019 ₹
1. Income:			
(a) Other Income	14	11,24,058	22,69,955
Total Income.....		11,24,058	22,69,955
2. Expenses :			
(a) Depreciation and amortization expense.....	15	1,81,764	1,81,764
(b) Other expenses	16	10122984.38	8152640
Total Expense		1,03,04,748	83,34,404
3. Loss before tax (1-2)		(91,80,690)	(60,64,449)
4. Tax expense:			
(a) Deferred Tax		-	-
		-	-
5. Loss after tax (3-4)		(91,80,690)	(60,64,449)
6. Other Comprehensive Income		-	-
7. Total comprehensive income / (loss) for the year, net of tax (5+6).....		(91,80,690)	(60,64,449)
8. Earnings per equity share (in ₹) (of ₹ 62.50 each).....			
Basic		(4.15)	(2.74)
Diluted.....		(4.15)	(2.74)
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)

Rajiv Gandhi
Director

Sanjeev Saraswat
Director

Place : Kathmandu
Date : 1st February 2021

Cash Flow Statement

For the year ended 31st December, 2020

Particulars	2020 ₹	2019 ₹
A) Cash flows from operating activities		
Loss before tax	(91,80,690)	(60,64,449)
Adjustment for :		
Depreciation and amortisation	1,81,764	1,81,764
Interest Income	(11,24,058)	(22,69,955)
	(9,42,295)	(20,88,191)
Operating loss before working capital changes	(1,01,22,984)	(81,52,640)
Movement in working Capital :		
Increase / (Decrease) in trade payables and other current liabilities	45,088	28,546
Decrease /(increase) in financial and other assets.....	12,310	32,584
	57,398	61,130
Cash generated from operations	(1,00,65,586)	(80,91,510)
Other working capital.....	(12,63,000)	(15,81,491)
Net cash flow from / (used in) operating activities (A)	(1,13,28,586)	(96,73,001)
B) Cash flows investing activities		
Purchase of Fixed assets	-	31,25,000
Investments/Withdrawal in bank deposits	62,50,000	-
Interest received on Fixed Deposits with banks	12,45,773	25,33,032
Net Cash flow from / (used in) investing activities (B).....	74,95,773	56,58,032
Net increase / (decrease) in cash & cash equivalents (A+B).....	(38,32,813)	(40,14,969)
Cash and cash equivalents at the end of the year	46,91,198	85,24,011
Cash and cash equivalents at the beginning of the year.....	85,24,011	1,25,38,980
	(38,32,813)	(40,14,969)
Components of cash and cash equivalents :		
Cash on hand.....	4,40,863	4,40,863
With banks - in current accounts	42,50,335	80,83,148
- in Fixed Deposit (Maturity value 3 months or less).....	-	-
Cash and cash equivalents at the year end	46,91,198	85,24,011

Notes :

- Figures in brackets represent outflow.
- 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)

Rajiv Gandhi
Director

Sanjeev Saraswat
Director

Place : Kathmandu
Date : 1st February 2021

Statement of Changes in Equity for the year ended 31st December, 2020

A Equity Share Capital

For the year ended 31st December, 2020

(Amount in ₹)

Balance As at 1st January, 2020	Changes in equity share capital during the year	Balances as at 31st December, 2020
13,84,12,188	-	13,84,12,188

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
13,84,12,188	-	13,84,12,188

B Other Equity

For the year ended 31st December, 2020

(Amount in ₹)

Particulars	Reserves & surplus	
	Retained earnings	Total other equity
Balance as at 1st January, 2020	(6,25,51,647)	(6,25,51,647)
Less: Loss of the year	(91,80,690)	(91,80,690)
Balance as at 31st December, 2020	(7,17,32,336)	(7,17,32,336)

For the year ended 31st December, 2019

(Amount in ₹)

Particulars	Reserves & surplus	
	Retained earnings	Total other equity
Balance as at 1st January, 2019	(5,64,87,198)	(5,64,87,198)
Less: Loss of the year	(60,64,449)	(60,64,449)
Balance as at 31st December, 2019	(6,25,51,647)	(6,25,51,647)

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)

Rajiv Gandhi

Director

Sanjeev Saraswat

Director

Place : Kathmandu

Date : 1st February 2021

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 carrying 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.

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

Note 4 - Property, Plant and Equipment

(Amount in ₹)

Particulars	As at 31.12.2020					
	Gross block			Accumulated Depreciation and Impairment		
	As at 1st January, 2020	Additions	Deductions/ Transfers	As at 31st December, 2020	As at 1st January, 2020	Additions
Freehold non mining land.....	3,61,42,910	-	-	3,61,42,910	-	-
Freehold mining land	11,58,500	-	-	11,58,500	-	-
Buildings	52,69,178	-	-	52,69,178	5,41,780	1,75,639
Office Equipments	68,647	-	-	68,647	65,215	-
Furniture & Fixtures	96,750	-	-	96,750	47,430	6,124
Total	4,27,35,985	-	-	4,27,35,985	6,54,425	1,81,764

(Amount in ₹)

Particulars	As at 31.12.2019					
	Gross block			Accumulated Depreciation and Impairment		
	As at 1st January, 2019	Additions	Deductions/ Transfers	As at 31st December, 2019	As at 1st January, 2019	Additions
Freehold non mining land.....	3,30,17,910	31,25,000	-	3,61,42,910	-	-
Freehold mining land	11,58,500	-	-	11,58,500	-	-
Buildings	52,69,178	-	-	52,69,178	3,66,140	1,75,639
Office Equipments	68,647	-	-	68,647	65,215	-
Furniture & Fixtures	96,750	-	-	96,750	41,306	6,124
Total	3,96,10,985	31,25,000	-	4,27,35,985	4,72,661	1,81,764

Notes to Financial Statements

Particulars	As at 31.12.2020 in ₹	As at 31.12.2019 in ₹
5 Others		
Mining Security Deposit	2,50,000	2,50,000
	2,50,000	2,50,000
6 Cash and cash equivalents		
Balances with banks		
- in Current account.....	42,50,335	80,83,148
Deposit with original maturity upto 3 months.....	-	-
Cash on hand.....	4,40,863	4,40,863
	46,91,198	85,24,011
7 Bank Balance other than Cash and Cash Equivalents		
Fixed Deposit with Banks (Maturity more than three months and upto 12 months)	1,25,00,000	1,87,50,000
	1,25,00,000	1,87,50,000
8 Other Financial Assets		
Interest accrued on fixed deposit	1,56,646	2,78,361
9 Other current assets		
Advances recoverable in cash or kind.....	6,05,152	6,17,462
Prepaid Expenses	12,500	12,500
TDS Receivable	28,01,619	26,07,665
Value Added Tax Receivable	38,84,768	28,15,722
	73,04,039	60,53,349

	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
10 Equity Share Capital				
Authorised				
Equity Shares of ₹ 62.50 each	7,00,00,000	4,37,50,00,000	7,00,00,000	4,37,50,00,000
	7,00,00,000	4,37,50,00,000	7,00,00,000	4,37,50,00,000
Issued, subscribed and fully paid up				
Equity Shares of ₹ 62.50 each fully paid up	22,14,595	13,84,12,188	22,14,595	13,84,12,188
	22,14,595	13,84,12,188	22,14,595	13,84,12,188

	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
a) Reconciliation of equity shares outstanding				
At the beginning of the year	22,14,595	13,84,12,188	22,14,595	13,84,12,188
Add : Issued during the year	-	-	-	-
Shares bought back during the Year	-	-	-	-
At the end of the year	22,14,595	13,84,12,188	22,14,595	13,84,12,188

Notes to Financial Statements

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
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.....	12,68,20,938	12,68,20,938
Particulars	As at 31.12.2020	As at 31.12.2019
	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.....	20,29,135 92%	20,29,135 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 31.12.2020 ₹	As at 31.12.2019 ₹
11 Other Equity		
Deficit in the Statement of Profit & Loss		
Balance as per last financial statements	(6,25,51,647)	(5,64,87,198)
Add : Loss for the year.....	(91,80,690)	(60,64,449)
Closing balance	(7,17,32,336)	(6,25,51,647)
Total	(7,17,32,336)	(6,25,51,647)
12 Other Non Current Liabilities		
Deffered Tax Liabilities	656	656
	656	656
13 Other financial liabilities		
TDS Payable	-	76,084
Audit Fee payable	64,922	-
Rent Payable.....	56,250	-
	1,21,172	76,084
Particulars	2020 ₹	2019 ₹
14 Other Income		
Interest on bank fixed deposits.....	11,24,058	22,69,955
	11,24,058	22,69,955
15 Depreciation and amortization expense		
Depreciation on tangible Assets	1,81,764	1,81,764
	1,81,764	1,81,764

Notes to Financial Statements

Particulars	As at 31.12.2020 ₹	As at 31.12.2019 ₹
16 OTHER EXPENSES		
Repair & Maintenance- Buildings		
Office Rent.....	1,12,500	1,12,500
Rates & Taxes	75,250	8,04,499
Legal and professional charges.....	76,71,875	2,01,561
Miscellaneous expenses *	22,63,359	70,34,080
	1,01,22,984	81,52,640
* Miscellaneous expenses include payment to auditors (excluding service tax)		
Statutory auditor.....	46,172	46,875
For Other Services	37,500	93,750
	83,672	1,40,624
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.....	22,14,595	22,14,595
ii) Number of shares at the end of the year.....	22,14,595	22,14,595
iii) Weighted average number of shares outstanding during the year.....	22,14,595	22,14,595
Net Loss after tax available for equity shareholders. (₹)	(91,80,690)	(60,64,449)
Basic / Diluted Earning per share (in ₹)	(4.15)	(2.74)

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 31.12.2020 ₹	As at 31.12.2019 ₹
Financial Assets at amortised cost :		
Cash and bank balances	1,71,91,198	2,72,74,011
Other financial assets	4,06,646	5,28,361
Total	1,75,97,844	2,78,02,372
Financial Liabilities at amortised cost :		
Other financial liabilities	1,21,172	76,084
Total	1,21,172	76,084

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 wherever 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)

Rajiv Gandhi

Director

Sanjeev Saraswat

Director

Place : Kathmandu

Date : 1st February 2021

**Ambuja
Cement**

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