

Directors' Report

Dear Members,

It is our pleasure to present the Annual Report of Ambuja Cements Limited for the year ended December 31, 2020. The PDF version of the Report is also available on the Company's website (www.ambujacement.com/investors/annual-reports).

Financial Performance – 2020

	Standalone		Consolidated	
	Current Year 31/12/2020	Previous Year 31/12/2019	Current Year 31/12/2020	Previous Year 31/12/2019
SUMMARISED PROFIT AND LOSS				
Net Sales	11,174.97	11,352.76	24,093.86	26,538.62
Profit before finance cost, depreciation & amortisation expense and exceptional item	3,018.60	2,575.37	5,455.16	5,177.73
Finance costs	83.05	83.52	140.22	169.87
Depreciation and amortisation expense	521.17	543.83	1,161.78	1,152.52
Share of profit in associates and joint ventures	-	-	14.44	19.97
Exceptional items	-	-	176.01	-
Profit before tax and Non-controlling interest	2,414.38	1,948.02	3,991.59	3,875.31
Tax expense	624.28	419.48	884.75	1,092.15
Profit after tax but before Non-controlling interest	1,790.10	1,528.54	3,106.84	2,783.16
Less : Non-controlling interest	-	-	741.40	688.16
Net profit for the year	1,790.10	1,528.54	2,365.44	2,095.00
MOVEMENT IN RETAINED EARNINGS				
Balance as per last account	3,534.96	2,342.84	5,248.70	3,542.04
Net profit for the year	1,790.10	1,528.54	2,365.44	2,095.00
Other comprehensive income (net of tax expenses)	(6.97)	(4.39)	(14.34)	(29.09)
Dividend on equity shares (including interim)	(3,673.45)	(297.85)	(3,673.45)	(297.85)
Corporate dividend tax on above	-	(34.18)	(0.37)	(61.40)
Closing balance	1,644.64	3,534.96	3,925.98	5,248.70

There are no significant changes in the key financial ratios during the year under review.

Dividend

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out (both interim and final). In view of the Company's very encouraging performance and on account of healthy retained earnings and cash position, the Board declared an interim dividend of ₹17 per share (850%) during the year 2020. The Board of Directors is now pleased to recommend a final dividend of ₹1 per share (50%). This represents a pay-out ratio of 11%. Thus, the aggregate dividend for the year 2020 is ₹18 per share (900%) and the total pay-out will be ₹3,673.45 crores.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy, attached as **Annexure I** to this report. The Policy is also available on the Company's website <https://www.ambujacement.com/Upload/PDF/dividend-distribution-policy.pdf>

Credit Rating

The Company's sound financial management and its ability to service financial obligations in a timely manner, has been affirmed by the credit ratings agency CRISIL with long-term instrument rated as AAA/STABLE and short-term instrument rated as A1+.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate Section, forming part of the Annual Report.

Corporate Social Responsibility (CSR) and Sustainability

Corporate Social Responsibility (CSR) at the Company has evolved over the past three decades, building prosperous communities in our neighbourhood which is part of our DNA and an integral component of a sustainable business. Ambuja Cement Foundation (ACF), the CSR arm of the Company has reached 2.7 million people across 2,613 villages in 44 districts spanning 11 states of India.

In order to enhance prosperity within the host communities, ACF works on thrust areas through systematic assessments across sites over a defined period which addresses the social and economic development of the communities. The core areas include Water Resource Management, Agro based as well as Skill based Livelihood development, Healthcare, Women Empowerment and Education for All.

The Annual Report on CSR activities and expenditure, as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is provided as **Annexure II** to this Report and the CSR Policy is available on the website of the Company.

Our Sustainable Development Plan 2020-2030, 'Building for Tomorrow' has identified and defined four focus areas for our business and vests a catalytic approach towards planning and management. The four thrust areas are Climate & Energy, Circular Economy, Environment and Community. Our operational-site level objectives help the respective heads align with and accomplish overall sustainability objectives. With the strides made in 2020, we are on track to achieve the intermediate sustainable development targets in the four defined areas, set for the year 2021. Aligning with 'Net Zero' ambition of our parent LafargeHolcim by 2050, we have increased our focus on Waste Heat Recovery (WHR), Renewable Energy, Clinker Factor reduction, Energy Efficiency (thermal and electrical), and use of Waste-derived resources/ alternative fuels.

Disclosures under the Companies Act, 2013 and Listing Regulations

Annual Return

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website (www.ambujacement.com/investors/annual-reports).

Number of Board Meetings

Eleven Board meetings were held during 2020. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report forming part of this Report.

Composition of Audit Committee

The Board has constituted the Audit Committee, which has Mr. Rajendra Chitale as the Chairman and Mr. Nasser Munjee, Ms. Shikha Sharma and Mr. Martin Kriegner as members. More details on the committee are given in the Corporate Governance Report forming part of this Report.

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

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions, which is also available on the Company's website (<https://www.ambujacement.com/Upload/PDF/Policy-on-materiality-of-RPT-221020.pdf>).

All the related party transactions entered into by the Company during the financial year were on an arm's length basis and in the ordinary course of business and adheres to the applicable provisions of the Act and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or others, which may have a potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. No material contracts or arrangements with related parties were entered during the year. All related party transactions are presented to the Audit Committee

and the Board. Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen (subject to financial limit). A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value, and terms and conditions of the transactions. The statement is supported by the certification from the MD & CEO and the CFO. All related party transactions are subject to half-yearly independent review by a reputed accounting firm to establish compliance with the requirements of Arms' Length Pricing.

In accordance with Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of the contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **Annexure III** of this report.

Policy on Sexual Harassment of Women at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and to this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Policy) and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said Policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, two complaints were received by the Company and both of which were dealt with in line with the POSH Policy of the Company and disposed off. No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported during the period.

The Company is committed to providing a safe and conducive work environment to all its employees and associates.

Corporate Governance

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and the Listing Regulations. A separate Section on corporate governance, along with a certificate from the statutory auditors confirming compliance is annexed and forms part of the Annual Report.

Risk Management

The Risk management committee at Ambuja is constituted under the chairmanship of Mr. Rajendra Chitale, Independent Director and the Committee reviews and discusses the risk trends, exposure and potential impact analysis. All this is done while maintaining the appropriate controls to ensure effective and efficient operations and regulatory compliance.

The Company has formulated a risk management policy and has mechanism in place to apprise the Board about risk assessment and mitigation process, including sustainability risks, which is covered in detail in the Management Discussion and Analysis Report attached to this Report.

Internal Audits and Controls

The establishment of an effective corporate governance and internal control system is essential for sustainable growth and long-term improvements in corporate value, and accordingly the Company works to strengthen such structures. The Company believes that a strong internal control framework is an important pillar of Corporate Governance.

The current system of Internal Financial Controls is aligned with the requirement of the Companies Act, 2013 and is in line with globally accepted risk-based framework as issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission. This framework includes entity-level policies, processes and Standard Operating Procedures (SOP). The compliance with these policies and procedures is ingrained into the management review process. Moreover, the Company regularly reviews them to ensure both relevance and comprehensiveness of the Internal Financial Controls. The Company uses IT-supported platforms to keep the IFC framework robust.

The Company periodically assesses design as well as operational effectiveness of its internal controls across multiple functions and locations through extensive internal audit exercises. Based on the assessment of internal audit function, process owners undertake corrective action in their respective areas, and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Managing the Risks of Fraud, Corruption and Unethical Business Practices

Vigil Mechanism/Whistle-Blower Policy

Creating a fraud and corruption-free culture has always been at the Company's core. In view of the potential risk of fraud, corruption and unethical behaviour that could adversely impact the Company's business operations, performance and reputation, it has emphasised addressing these risks. To meet this objective, a comprehensive Ethical View Reporting Policy akin to Vigil Mechanism or the Whistle-Blower Policy has been laid down. In terms of the said Policy, all the reported incidents are reviewed by a designated Ethical View Committee. Based on an in-depth review, all such incidents are investigated in an impartial manner and appropriate actions are taken to uphold the highest professional, ethical and governance standards. The Policy also provides for the requisite checks, balances and safeguards to ensure that no employee is victimised or harassed for reporting and bringing up such incidents in the interest of the Company.

No personnel have been denied access to the Audit Committee for any matter pertaining to the Ethical View Policy. The implementation of the Ethical View Policy and the functioning of the Ethical View Committee is overseen by the Audit Committee.

More details on this Policy are given in the Corporate Governance Report, which forms part of this Report. The Ethical View Reporting Policy is available on the Company's website (www.ambujacement.com/investors).

Code of Conduct

The Company has laid down a robust Code of Business Conduct and Ethics, which is based on the principles of ethics, integrity and transparency. More details about the Code is given in the Corporate Governance Report.

Anti-bribery and Corruption Directives (ABC Directives)

In furtherance to the Company's philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down 'ABC Directives' as part of the Company's Code of Business Conduct and Ethics. As a company, Ambuja Cement has zero-tolerance to bribery and corruption and is committed to act professionally and fairly

in all its business dealings. To spread awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption and as part of continuous education to the employees on 'ABC Directives', face-to-face and online training and testing through a web-based application tool was conducted for 2,300 relevant employees.

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

Board of Directors and Key Managerial Personnel

Cessation

Mr. Roland Kohler (DIN: 08069722) Director (representing LafargeHolcim) resigned from the Board from the closing hours of December 10, 2020 upon his retirement from the services of Lafarge Holcim Group.

The Board placed on record its appreciation for the valuable services rendered by Mr. Roland Kohler.

Appointment

Mr. Ramanathan Muthu (DIN: 01607274) has been appointed as a Non-Executive, Non-Independent Director with effect from December 23, 2020 in casual vacancy caused due to the resignation of Mr. Roland Kohler. Mr. Ramanathan Muthu shall hold the office up to the date of the ensuing Annual General Meeting and being eligible, has offered himself to be appointed as a Director liable to retire by rotation. The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Ramanathan Muthu for the office of Director.

The Nomination & Remuneration Committee and the Board of Directors recommends his appointment.

Appropriate resolution seeking shareholders approval to the above are appearing in the Notice convening the 38th Annual General Meeting.

More details about the Directors are either given in the Corporate Governance Report or in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mahendra Kumar Sharma (DIN: 00327684) and Ms. Then Hwee Tan (DIN: 08354724) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment.

Key Managerial Personnel

During the year under review, Mr. Bimlendra Jha, MD & CEO resigned from the Company with effect from February 20, 2020 and Mr. Neeraj Akhoury was appointed as the MD & CEO with effect from February 21, 2020.

Ms. Rajani Kesari has been appointed as the CFO of the Company in place of Ms. Sonal Shrivastava.

The Board placed on record its appreciation for the valuable services rendered by Mr. Bimlendra Jha and Ms. Sonal Shrivastava.

There is no change in the Company Secretary during the year under review.

Attributes, Qualifications and Independence of Directors and their Appointment

The Nomination & Remuneration Committee of Directors have approved a policy for the Selection, Appointment and Remuneration of Directors, which *inter-alia*, requires that the Directors shall be of high integrity with relevant expertise and experience to have a diverse Board. The Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment of a new Director.

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

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

The relevant abstract of the Policy for Selection, Appointment & Remuneration of Directors is given as **Annexure IV** to this report.

Independent Directors

The Independent Directors have submitted the Declaration of Independence, stating that they continue to fulfil the criteria of independence as required pursuant to Section 149 of the Companies Act, 2013 and Regulations 16 of the Listing Regulations. This Section require companies to have at least one-third of the total number of Directors as Independent Director and the Company complies with this requirement. There has been no change in the circumstances affecting their status as Independent Directors of the Company. The profile of the Independent Directors forms part of the Corporate Governance Report

In the Board's opinion, the Independent Directors are persons of high reputation, integrity and possess the relevant expertise and experience in their respective fields.

Evaluation of the Board's Performance

As per provisions of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the evaluation process for the performance of the Board, its committees and individual Directors for the year 2020 was carried out internally.

With a view to maintain high level of confidentiality and ease of doing evaluation, the exercise was carried out online using secured web-based application. Each Board member filled up the online evaluation template on the functioning and overall level of engagement of the Board and its committees, on parameters such as composition, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, independence of judgement, decision-making, management actions etc. The evaluation templates were modified considering the guidelines issued under the Listing Regulations and Secretarial Standards

and taking into consideration the suggestions given by the Directors.

A one-on-one meeting of the individual Directors with the Chairman of the Board and Chairman of Nomination & Remuneration Committee was also conducted as a part of self-appraisal and peer-group evaluation and the engagement and impact of individual Director was reviewed on parameters such as attendance, knowledge and expertise, inter-personal relationship, engagement in discussion and decision-making process, actions oriented and others. The Directors were also asked to provide their valuable feedback and suggestions on the overall functioning of the Board and its committees and the areas of improvement for a higher degree of engagement with the management.

The Independent Directors met on December 22, 2020 to review the performance evaluation of Non-Independent Directors and the entire Board of Directors, including the Chairman, while considering the views of the Executive and Non-Executive Directors.

The Independent Directors were highly satisfied with the overall functioning of the Board, its various committees and with the performance of other Non-Executive and Executive Directors. They also appreciated the exemplary leadership role of the Board Chairman in upholding and following the highest values and standards of corporate governance.

Post the review by the Independent Directors, the results were shared with the entire Board and its respective committees. The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its committees with the Management.

Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have agreed on various action points which will be implemented during the year 2021.

Remuneration Policy

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

Induction and Familiarisation Programme for Directors

The details of the induction and familiarisation programme of the Directors are given in the Corporate Governance Report.

Directors' Responsibility

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

- ii) they have selected such accounting policies, judgements and estimates that are reasonable and prudent and have applied them consistently to give a true and fair view of the state of affairs of the Company as on December 31, 2020, and of the statement of Profit and Loss and Cash Flow of the Company for the period ended December 31, 2020
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv) the annual accounts have been prepared on an ongoing concern basis
- v) proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively
- vi) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and are operating effectively

Auditors & Auditors' Report

Statutory Auditor

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) were appointed as the Statutory Auditors for a period of five years commencing from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting by the shareholders. M/s. Deloitte Haskins & Sells LLP have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit process. The Auditors attend the Annual General meeting of the Company.

The Auditors' Report for financial year 2020 on the financial statement of the Company forms part of this Annual Report.

Explanations or comments by the Board on 'emphasis of matters' made by the statutory auditors in their report includes Order passed by the Competition Commission of India in two matters, which has been dealt in more detail in this Report.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s P.M. Nanabhoy & Co. Cost Accountants (ICWAI Firm Registration No. 000012) as the Cost Auditors of the Company for 2021 and has recommended their remuneration to the shareholders for their ratification at the ensuing Annual General Meeting. M/s P.M. Nanabhoy & Co. have given their consent to act as Cost Auditors and confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013. They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has

also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Pursuant to Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for 2019 was filed with the Ministry of Corporate Affairs on May 21, 2020 vide SRN: R39314232.

As per the requirements of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records in respect of the applicable products for the year ended December 31, 2020.

Secretarial Auditor

The Board had appointed Mr. Himanshu S. Kamdar (CP No.3030), Partner of M/s. Rath & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for 2020 and his report is annexed as **Annexure V** to this Report. The report does not contain any qualification, reservation and adverse remarks.

Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

Compliance with Secretarial Standards on Board and Annual General Meetings

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Significant and Material Orders Passed by the Courts or Regulators

Order passed by the National Company Law Appellate Tribunal (NCLAT) in the Matter of Penalty Levied by the Competition Commission of India (CCI)

- i) Appeal filed by the Company against the Order of the CCI for levying penalty of ₹1,163.91 crores on the Company was heard and dismissed by the NCLAT and CCI's Order was upheld. Further, the Company has challenged the judgement passed by NCLAT before the Hon'ble Supreme Court. The Hon'ble Supreme Court has admitted the Company's Appeal and ordered for the continuation of interim order passed by the Tribunal.
- ii) Pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI vide its Order dated January 19, 2017 has imposed a penalty of ₹29.84 crores on the Company. The Company filed an Appeal before the Competition Appellate Tribunal (COMPAT) and obtained an interim stay on the operation of the said Order. Further, by virtue of Government of India notification, all cases pending before the COMPAT were transferred to the NCLAT and as such, the hearing on the Appeal is underway at the NCLAT. Other than the aforesaid, there have been no significant and material orders passed by the courts or regulators or tribunals impacting the ongoing concern status and the Company's operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

Particulars of loans, guarantees or investments

Particulars of loans, guarantees given and investments made during the year, as required under Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, are provided in Notes No. 9, 10, 11, 18, 53 and 54 of the Standalone financial statements.

Treasury Operations

During the year, the Company's treasury operations continued to focus on cash forecasting and the deployment of excess funds on the back of effective portfolio management of funds within a well-defined risk management framework. All investment decisions in deployment of temporary surplus liquidity continued to be guided primarily by the tenets of safety of Principal and liquidity.

During the year, the investment portfolio mix was continuously rebalanced in line with the evolving interest rate environment.

Transfer of Unclaimed Dividend and Unclaimed Shares

The details relating to Unclaimed Dividend and Unclaimed Shares forms part of the Corporate Governance Report forming part of this Report.

Energy, Technology and Foreign Exchange

Information on the conservation of energy, technology absorption, foreign exchange earnings and out go is required to be given pursuant to the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014, which is marked as **Annexure VI** to this Report.

Particulars of Employees

There were 4,792 permanent employees of the Company as of December 31, 2020. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VII** to this Report.

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

Direct Subsidiaries, Joint Ventures and Joint Operations

As of December 31, 2020, the Company has six direct subsidiaries, one joint venture and one joint operation.

The Policy for determining Material Subsidiaries adopted by the Board pursuant to Regulation 16 of the Listing

Regulations, can be accessed on the Company's website (www.ambujacement.com/investors).

Consolidated Financial Statements

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

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each subsidiary, joint venture and joint operations in the prescribed Form AOC-1 is annexed as **Annexure VIII** to this Report.

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

The consolidated net profit attributable to the Company is ₹2,365.44 crores for 2020 as compared to ₹2,095.00 crores for 2019.

Business Responsibility Reporting

The Business Responsibility Report of the Company for the year ended December 31, 2020, is made available on the Company's website www.ambujacement.com and also forms part of the Annual Report.

Other Disclosures

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- Details relating to deposits that are covered under Chapter V of the Act
- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the Company under any scheme (sweat equity or stock options)
- There is no change in the Share Capital Structure during the year under review
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees
- Managing Director & CEO has not received any remuneration or commission from any of its subsidiaries
- There was no revision in the financial statements
- There was no change in the nature of business
- There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report
- The Company has not transferred any amount to reserves during the year under review

Equal Opportunity Employer

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

Caution Statement

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

Acknowledgements

The Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their Departments, and the Local Authorities for their continued guidance and support. The Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Ambuja family. To them goes the credit for the Company's achievements. And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board of Ambuja Cements Limited

Mumbai
February 18, 2021

N. S. Sekhsaria
Chairman & Principal Founder

Annexure I to the Directors' Report

Dividend Distribution Policy

This Policy is called Ambuja Cements 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 Equity Shares of the Company having face value ₹2/- each. The Company currently has issued only equity 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 and current and future leverage;
- 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, the Company may, taking into consideration the shareholder expectations, past dividend payout history etc. declare payment of some 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 adequate 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 MD & CEO 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: www.ambujacement.com and will also be disclosed in the Company's Annual Report.

Annexure II to the Directors' Report

Annual Report on Corporate Social Responsibility

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. 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 CSR policy and projects or programmes	<p>Ambuja Cements Ltd. (ACL) conducts its CSR Programs through its social development arm, Ambuja Cement Foundation (ACF). ACF was envisioned in 1993 to create self-empowered communities. Since the last 26 years, ACF has been working mainly with communities around ACL's manufacturing sites, across thirty two districts in eleven states. ACF's approach is to energise, involve and enable communities to realise their true potential and be self sustaining. The key identified programme areas of ACF are Natural Resource Management (Land and Water Resource Management), Livelihood Promotion (Agro Based Livelihoods and Skill and Entrepreneurship Development), Human Development (Community Health and Sanitation, Education and Women Empowerment) and Rural Infrastructure Development.</p> <p>For further details about the above listed programmes, please refer to www.ambujacementfoundation.org. ACL's CSR policy is available on Company's website https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf</p>
2. Composition of CSR & Sustainability Committee	<p>Mr. N. S. Sekhsaria, Chairman</p> <p>Mr. Nasser Munjee, Independent Director</p> <p>Mr. Rajendra Chitale, Independent Director</p> <p>Mr. Martin Kriegner</p> <p>Mr. Mahendra Kumar Sharma</p> <p>Mr. Neeraj Akhoury</p> <p>Mrs. Pearl Tiwari, Permanent Invitee, Head of Ambuja Cement Foundation</p>
3. Average net profit of the Company for last 3 financial years	₹1,544.87 crores
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹30.90 crores
5. Actual amount spend on CSR during the financial year	₹53.97 crores. i.e. 3.49% of the Average Net Profit of the last 3 years.
6. Expenditure Statement for the year 2020 (January 1, 2020 to December 31, 2020) as per Schedule VII of the Companies Act, 2013	

(₹ in crores)

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programmes was undertaken	Amount outlay (Budget) project or programmes wise	Amount Spent on Programs/ Projects	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing Agency
a)	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation, Awareness & initiatives on COVID-19 relief	1. Andhra Pradesh A) Nadikudi - District Guntur 2. Chhattisgarh A) Bhatapara - District Baloda Bazar B) Raigarh - District Raigarh 3. Gujarat A) Kodinar - District Gir Somnath B) Gandhinagar - District Gandhinagar C) Sanand - District Ahmedabad D) Surat - District Surat E) Junagarh - District Junagarh	16.89	16.01	16.01	Through Ambuja Cement Foundation and Ambuja Hospital Trust
b)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Quality Education, Ambuja Manovikas Kendra, Skill And Entrepreneurship Development Institute (SEDI), Non-Formal Education, Village Knowledge Centre	4. Himachal Pradesh A) Darlaghat - District Solan B) Nalagarh - District Solan 5. Madhya Pradesh A) Amarwara - District Chhindwara	18.74	15.95	15.95	Through Ambuja Cement Foundation, Ambuja Vidya Niketan and Directly

(₹ in crores)

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programmes was undertaken	Amount outlay (Budget) project or programmes wise	Amount Spent on Programs/ Projects	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing Agency
c)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups	Women Empowerment and Entrepreneurship, Female Feticide, Women Self Help Groups Federation,	6. Maharashtra A) Gadchandur - District Chandrapur B) Panvel - District Raigad C) Higna - District Nagpur 7. Punjab A) Bathinda - District Bathinda B) Ropar - District Rupnagar C) Firozpur - District Firozpur D) Nanki - Districts Faridkot and Barnala 8. Rajasthan A) Marwar Mundwa - District Nagur B) Rabriyawas - District Pali C) Hanumangarh - District Ganganagar	2.02	1.96	1.96	Through Ambuja Cement Foundation
d)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed	9. Uttarakhand A) Roorkee and Bhagwanpur - District Haridwar 10. Uttar Pradesh A) Dadri - District Gautam Budh Nagar 11. West Bengal A) Farakka - District Murshidabad B) Sankrail - District Howrah	6.90	6.23	6.23	Through Ambuja Cement Foundation
e)	Rural development projects	Rural Infrastructure Project		13.21	9.38	9.38	Through Ambuja Cement Foundation
f)	Disaster management, including relief, rehabilitation and reconstruction activities	Donation towards Ventilators and food distribution to migrants during COVID pandemic	Maharashtra and New Delhi	2.78	2.78	2.78	Directly and through Goonj, Delhi; Praja Foundation, Mumbai & Roti Bank Foundation, Mumbai
Total				60.54	52.31	52.31	
Overheads				1.66	1.66	1.66	
Cumulative expenditure up to the reporting period				62.20	53.97	53.97	
7.	Responsibility Statement of the CSR Committee	The CSR & Sustainability Committee affirms that the implementation and monitoring of CSR Policy is in compliance with CSR Policy and Objectives of the Company.					

On behalf of the CSR & Sustainability Committee

N. S. SekhsariaChairman - CSR & Sustainability Committee
(DIN No. 00276351)

Date: February 17, 2021

Neeraj AkhouryManaging Director & CEO
(DIN No. 07419090)**Rajani Kesari**

Chief Financial Officer

Annexure III to the Directors' Report

Form No. AOC-2

January to 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 contracts or arrangement or transactions at arm's length basis

No material Related Party Transactions i.e. 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. The details of significant transactions with Related Parties are as follows:-

Name of the related party	Nature of Relationship	Duration of Contract	Terms ⁽¹⁾	Amount (₹ in crores)
Nature of Contract				
Purchase of goods or Fixed Assets				
Lafarge Holcim Energy Solutions S.A.S, France	Fellow Subsidiary	Case to Case Purchase orders	Based on Transfer Pricing Guidelines	235.00
ACC Limited	Subsidiary	January 1, 2020 - December 31, 2020	Based on Transfer Pricing Guidelines	220.00
				455.00
Sale of goods				
ACC Limited	Subsidiary	January 1, 2020 - December 31, 2020	Based on Transfer Pricing Guidelines	517.00
				517.00
Receiving of services				
ACC Limited	Subsidiary	January 1, 2020 - December 31, 2020	Based on Transfer Pricing Guidelines	51.00
Holcim Technology Ltd. Switzerland	Fellow Subsidiary	January 1, 2020 - December 31, 2020	Based on Transfer Pricing Guidelines	108.00
Holcim Services (South Asia) Limited	Fellow Subsidiary	January 1, 2020 - December 31, 2020	Based on Transfer Pricing Guidelines	50.00
				209.00
Rendering of services				
ACC Limited	Subsidiary	January 1, 2020 - December 31, 2020	Based on Transfer Pricing Guidelines	39.00
				39.00

Notes:

1. All related party transactions entered during the year were in Ordinary Course of the Business and at Arm's length basis.
2. Appropriate approvals have been taken from Audit Committee and the Board for the related party transactions entered by the Company and advances paid have been adjusted against bills, wherever applicable.

Annexure IV to the Directors' Report

Abstract of the Policy for selection and appointment of Directors

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

1. Criteria of selection of Non-Executive Directors

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

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

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

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

Annexure V to the Directors' Report

Secretarial Audit Report

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

For the year ended December 31, 2020

To,
The Members,
Ambuja Cements Limited
Elegant Business Park, MIDC Cross Road 'B',
Off. Andheri-Kurla Road, Andheri (East),
Mumbai – 400 059

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering calendar year ("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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ambuja Cements Limited** ("the Company") for the year ended on December 31, 2020, according to the applicable 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 and Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under report:-

- (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iv) 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;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:

- (i) Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988

- (ii) Mines Act, 1952 read with Mines Rules, 1955
- (iii) Cement Cess Rule, 1993
- (iv) Cement (Quality Control) Order, 2003.

We have also examined compliance with the applicable clauses of Secretarial Standards 1 and 2, issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

During the year under the report, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances under the pandemic situation, have been complied with by the Company.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, except for the meeting convened for urgent matters, 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.

None of the members have communicated dissenting views in the matters/agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company has received a letter no. ROC - GJ/Inquiry/04-04717/2019/4573 dated December 22, 2020 from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in relation to which the Company is in process of furnishing requisite information/clarifications/explanations.

There was no event/action which had major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner

MEM. NO. FCS 5171
COP No. 3030

UDIN: F005171B003088636

Date: 19th February, 2021

Place: Mumbai

Annexure VI to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to Provisions of Section 134 of the Companies Act, 2013 Read with the Companies (Accounts) Rules, 2016.

A) Conservation of Energy

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

1. Cooler upgradation to IKN Latest generation at Bhatapara Line-2 with the savings in electrical energy of 1.5 kWh/T clinker. (Bhatapara)
2. Replacement of Boiler-4 APH Tubes for improved auxiliary consumption saving 5000 kW/day (Bhatapara)
3. Replacement of Deaerator 2 Spray Nozzle at captive power plant saving of 2 kCal/kWh at CPP (Bhatapara)
4. Overhaul of STG-3 Water Cooled Condenser & Air cooled Condenser, saving of 32 kCal/kWh (Bhatapara).
5. Optimisation of Compressor Power consumption by 2000 kWh/day (Bhatapara).
6. Bag house RAL running hours optimisation and saving of 172 kWh/day (Bhatapara).
7. Bag house module purging in offline mode to reduce Bag house DP which reduces the Bag house Fan RPM resulting reduction of KW 720 kWh/day. (Bhatapara).
8. Blending silo top bag filter fan connection changed from delta to star resulting saving of 168 kWh/day (Bhatapara).
9. Optimisation of Kiln & Cooler ID trafo. Voltage Saving: 150 kWh/Day.
10. PH Analyser water pump operation optimisation Saving 165 kWh/day (Bhatapara).
11. Optimisation of Raw Water Pump & Cooling Water Pump in Line-1 WTP (Average 10 KW/hr saving).
12. Replacement of Water pump motors with High efficiency motors 283kWh/Day (Bhatapara).
13. Optimisation of water pumps running (total 03 nos) in Line-2 saving 850 kWh/Day (Bhatapara).
14. Enhancement in production rate by modifying the grinding media pattern in both the Cement Mills. 0.5 kWh/T Cement (Sankrail).
15. Improvement in Separator efficiency by optimising the Rotor speed and Fan flow. Saving 0.5 kWh/T. (Sankrail).
16. Optimisation of packer operation at saving of 0.19 kWh (Farakka).
17. Optimisation of grinding aid consumption as well as grinding media charging saving of 0.06 kWh/T Cem (Farakka).
18. Power Factor maintained 0.99 by optimising capacitor banks. (Bhatapara , SK , Farakka)
19. Installation of LEDs at Farakka 498 kWh/Day.
20. Reduction of Suli clinkerisation SEEC by 1.1 kWh/T Cem, through operational measures ie HLC installation, VFD installation in Belt conveyor BC-5 etc.
21. Optimisation of grinding media in all mills and optimisation of clinker factor in PPC benefit of 1.29 kWh/T Cem.
22. Reduction of Rauri clinkerisation SEEC by 1.39 kWh/T Cem, through operational measures ie size reduction of crusher output, False air reduction in PH area and clinker cooler optimisation.
23. Reduction in CM1 Specific Electrical Energy Consumption by Optimising Grinding Media Pattern at Ropar.
24. Reduction in CM2 Specific Electrical Energy Consumption by Optimising Grinding Media Pattern & production planning for different products at Ropar.
25. Reduction in CM3 Specific Electrical Energy Consumption by Optimising Grinding Media Pattern at Ropar.
26. Reduced SHR in CPP from 3456 kCal/kWh to 3439 kCal/kWh by optimising fuel mix and better fuel planning for CPP at Ropar.
27. Increased Alternative Fuel Consumption in CPP (TSR% increased from 52.3% in 2019 to 53.6% in 2020) by better fuel planning at Ropar.
28. Solar Power taken from the M/s Amplus through open access from November, 2020 at Dadri.
29. TIS implementation for better monitoring and tracking of energy and productivity indicators.
30. Wet fly ash Weigh feeder upgraded to 100 TPH and its belts upgraded for better utilisation at Dadri.
31. Installation of LED lights in place of conventional lights at Dadri.
32. Gypsum Circuit Modification (Direct Unloading & Feeding) at Roorkee.
33. Reduction in compressor Power by Installing Higher CFM compressor at same power consumption at Roorkee.

34. Replacement of all the three old worn out Master roller tyres with Sinter Cast tyres at Nalagarh.
35. Installation of Active Filter to increase power factor from 0.98 to 1.00 at Nalagarh.
36. Conversion of HPSV lamp to LED at plant and Roads at Nalagarh.
37. Installation of stud roller in Cement mill-1 Roller press to improve productivity and SEEC at Rabriyawas.
38. AFR feed pipe diameter enlargement modification to enhance AFR percentage at Rabriyawas.
39. Installation of VFD in Coal Mill fan at Rabriyawas.
40. Gaj-2 Main firing volume reduction in order to reduce STEC, SEEC and NOx emission at Ambujanagar.
41. Replaced fly ash unloading screw conveyor to air slide at Ambujanagar.
42. Grinding Media Optimisation in Ball Mill thereby reducing 0.4 kWh/MT on an annual basis compared to 2019 at Surat.
43. Replacement of conventional lights with LED Lights at Ambujanagar.

(2) Steps taken by the Company for utilising alternate sources of energy:

1. Usage of Alternate fuels in Kiln across all Plants for partial replacement of Fossil fuels
2. Usage of Alternate fuel in CPP across all Plants for partial replacement of Fossil fuels
3. Operation of CPP with Biomass fuel at Ropar.
4. AFR discharge chute modification to enhance TSR% at Bhatapara.
5. Continuous operation of Solar Power Plant at Rabriyawas and Dadri.
6. Continuous operation of WHRS at Rabriyawas.
7. Use of Wind Power at Surat.
8. Solar Plant under installation for partial replacement of Power with Solar at Bhatapara and Panvel.

(3) The capital investment on energy conservation equipment

1. Replacement of screw compressor with energy efficient reciprocating compressors.
2. Installation of VFD in Primary air fan in boiler -1.
3. Installation of MV VVFD for 02 nos Boiler Feed Pump Installation of VFD at various locations.

4. Bhatapara Line-2 cooler upgradation with IKN for energy efficiency.
5. Installation of VFDs in various applications across plants.
6. Installation of HLC in various core equipments.
7. TIS implementation at all locations for better monitoring and tracking of energy and productivity indicators.

B) Technology Absorption

(1) Efforts made towards Technology Absorption:

1. Installation of SNCR system to reduce NOx emission at various locations.
2. Ambuja PLC upgradation to adopt the latest version.
3. Digitalisation of walk by inspection to improve quality of inspection across all Plants.
4. Technical Information system (TIS) Installation at plant locations along with PACT dashboard for close monitoring of process data.
5. Installation of HLC in CM 4 and 5 with residue prediction control at Maratha.
6. De-SOx system commissioned in Pre-Clinkerisation area-MCW.

(2) Benefits derived (Cost reduction, product improvement/improvement, Import substitution, etc.)

1. Energy saving through initiative like VFD installation, LED lights and optimisation measures and Residue prediction.
2. Better conversion factor of clinker with higher fly ash addition.
3. Conservation of fossil fuel through usage of Alternate Fuel in kiln and CPPs.
4. SNCR operation optimisation by changing injection position.
5. Commenced production of Ambuja Kawach at various plant locations.
6. Commenced continuous production of Compo cem at Ambujanagar, Bhatapara and Sankrail to improve clinker factor, which in turn will reduce Limestone consumption, energy consumption, clinker consumption and GHG emission.

(3) Information regarding Technology Imported during last 3 years:

Details of Technology Imported	Year of Import	Status of implementation/absorption
Upgradation of Energy Management System-Schneider at Bhatapara	2018	Fully Absorbed.
Software EPIC3 controller installed in CPP ESP for controlling hammering action in ESP at Ropar	2018	Fully Absorbed
Installation of SNCR system to reduce NOx emission	2018	Fully Absorbed
Mineral Sizer in place of conventional roll crusher	2018	Fully Absorbed
Turbo Mixer-30 LTR- used for fast and efficient dry and wet mixing, blending and homogenisation of various materials of different sizes and densities specifically in ultra fine range- Farakka	2018	Fully absorbed
Installed Wet Fly Ash Dryer to ensure availability of Fly Ash during lean seasons at Ropar	2019	Fully absorbed
Software EPIC3 controller installed in CPP ESP for controlling hammering action in ESP at Ropar	2019	Fully absorbed
Ventodigit controller installed for Packer-1 in place of F800 controller- Dadri	2019	Fully absorbed
Upgraded the FLSA software V7.9 with V8.3- Dadri	2019	Fully absorbed
Upgraded the wet fly ash weigh feeder with GDC controller- Dadri	2019	Fully absorbed
Installation of SNCR to comply NOx emission guideline in Ambuja Kiln	2019	Fully Absorbed
Dynamic load shedding system at Ambujanagar	2019	Fully Absorbed
Usage of Ammonium Carbonate Solution in place of Aq. Ammonia in our SNCR system	2019	Fully Absorbed
Bulk loading system for OPC to increase contribution of cement volume (Rabriyawas)	2019	Fully Absorbed
Auto lubricator installed in all four packers	2019	Fully Absorbed
Kiln Tyre spray system at Ambujanagar	2019	Partially Absorbed
PLC upgradation at Ambuja	2019	Fully Absorbed
Installation of DeSOx system at MCW	2019	Fully absorbed
High level control system server and software installation- Sankrail	2019	Fully absorbed
Bag Counter controller installation at packing Plant- Sankrail	2019	Fully absorbed
Installation of High frequency transformer in Cooler ESP 1st field- Rabriyawas	2019	Fully absorbed
Installation of numerical relay in place of Electromechanical relay-Rabriyawas	2019	Fully absorbed
Installation of TIS and HLC including PACT dashboard	2020	Partially absorbed
Line -2 Cooler Up graded with IKN cooler- Bhatapara	2020	Partially absorbed
Residue prediction system	2020	Partially absorbed

(4) Expenditure on R&D:

(₹ in crores)

	Current Year 31.12.2020	Previous Year 31.12.2019
Capital Expenditure	Nil	0.73
Recurring Expenditure	0.53	0.80
Total Expenditure	0.53	1.53
Total R & D expenditure as a percentage of total turnover	-	3.06

(5) Foreign Exchange Earnings and Outgo

(₹ in crores)

	Current Year 31.12.2020	Previous Year 31.12.2019
Used	2843.36	1007.06
Earned	2.53	2.23

Annexure VII to the Directors' Report

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

Median remuneration of all the employees of the Company for the Financial Year 2020	6,41,748
Percentage increase in the median remuneration of employees in the Financial Year 2020	2.84%
Number of permanent employees on the rolls of the Company as on December 31, 2020	4,792

Name of Director and KMP	Remuneration	Ratio of remuneration of each Director to median remuneration of employees(a)	% increase in remuneration in the Financial Year 2020
Non-Executive Directors			
Mr. N.S. Sekhsaria	5,620,000	8.76	5.24%
Mr. Jan Jenisch	2,300,000	3.58	4.55%
Mr. Christof Hassig	2,550,000	3.97	15.91%
Mr. Martin Kriegner	-	0.00	-
Ms. Then Hwee Tan	4,240,000	6.61	22.33%
Mr. Mahendra Kumar Sharma	2,550,000	3.97	49.38%
Mr. Ranjit Shahani	2,640,000	4.11	46.91%
Mr. Praveen Kumar Molri	2,500,000	3.90	46.46%
Mr. Roland Kohler	2,395,246	3.73	8.86%
Mr. Ramanathan Muthu	50,000	0.08	N.A.
Independent Directors			
Mr. Nasser Munjee	4,730,000	7.37	14.25%
Mr. Rajendra Chitale	5,700,000	8.88	5.75%
Mr. Shailesh Haribhakti	4,700,000	7.32	11.37%
Dr. Omkar Goswami	4,410,000	6.87	7.82%
Ms. Shikha Sharma	4,430,000	6.90	N.A.
Executive Director			
Mr. Neeraj Akhouri, MD & CEO w.e.f. February 21, 2020	61,653,332	96.07	N.A.
Mr. Bimlendra Jha, MD & CEO up to February 20, 2020	114,156,483	177.88	75.89%
Other KMPs			
Ms. Rajani Kesari, CFO w.e.f. September 1, 2020	11,825,229	18.43	N.A.
Ms. Sonal Shrivastava, CFO up to August 30, 2020	19,391,418	30.22	N.A.
Mr. Rajiv Gandhi, Company Secretary	12,361,544	19.26	25.72%

- (1) (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period January 1, 2020 to December 31, 2020.
- (b) The remuneration to Non-Executive Directors includes sitting fees paid for attending Board and Committee Meeting and commission payable to them for the year ended December 31, 2020.
- (c) Remuneration to MD & CEO and KMPs includes salary, performance bonus, allowances & other benefits on payment basis and applicable perquisites and contribution to approved Pension Fund but except for the accrued Gratuity Fund.
- (2) There was a change in the MD & CEO and CFO (KMPs) during the year under review and hence the figures are not comparable.
- (3) Average percentile increase in the salaries of employees other than the Managerial Personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:
 - (a) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. MD & CEO) is 2.67%.
 - (b) Average percentile of the remuneration of the Managerial Personnel (i.e. MD & CEO) decreased by 15.37% and the same is not comparable as there was a change in the MD & CEO during the year under review.
 - (c) Average increase in the remuneration of the employees other than the Managerial Personnel is in line with the industry practice and is within the normal range.
- (4) The remuneration is as per the remuneration policy of the Company.

Annexure VIII to the Directors' Report

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries and joint ventures, pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

A) Subsidiary Company

₹ in crores

Sr. No.	Name	Date of Acquisition	Financial year ending	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Total Investments	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation but before Share of Profit in Associates and Minority Interest	Proposed Dividend	% of Shareholding
1.	M.G.T. Cements Private Limited	20/10/2007	December 31, 2020	₹	0.75	(0.76)	-	0.01	-	-	-	-	-	-	100.00
			December 31, 2019	₹	0.75	(0.76)	-	0.01	-	-	(0.01)	-	(0.01)	-	100.00
2.	Chemical Limes Mundwa Private Limited	20/10/2007	December 31, 2020	₹	5.14	(5.15)	1.68	1.69	-	-	(0.20)	-	(0.20)	-	100.00
			December 31, 2019	₹	5.14	(4.95)	1.73	1.54	-	-	(0.29)	-	(0.29)	-	100.00
3.	Dirk India Private Limited	02-09-2011	December 31, 2020	₹	2.08	(35.76)	16.67	50.35	-	3.45	(1.03)	-	(1.03)	-	100.00
			December 31, 2019	₹	2.08	(34.67)	23.41	56.00	-	8.00	(0.52)	-	(0.52)	-	100.00
4.	Dang Cement Industries Private Limited (Refer Note 1)	06-05-2011	December 31, 2020		13.84	(7.18)	6.68	0.02	-	-	(0.92)	-	(0.92)	-	91.63
			December 31, 2019	Nepalese Rupee	13.84	(6.26)	7.59	0.01	-	-	(0.61)	-	(0.61)	-	91.63
5.	ACC Limited (Refer Note 2)	12-08-2016	December 31, 2020	₹	187.99	12,511.14	18,200.23	5,497.86	129.27	13,486.83	1,708.85	278.59	1,430.26	262.90	50.05
			December 31, 2019	₹	187.99	11,355.78	17,135.98	5,589.05	116.18	15,343.11	2,052.52	674.98	1,377.54	262.90	50.05
6.	Oneindia BSC Private Limited (Refer Note 3 & 4)	13/08/2015	December 31, 2020	₹	2.50	4.04	9.50	2.96	-	16.35	0.14	0.79	(0.65)	-	50.00
			December 31, 2019	₹	2.50	4.69	11.83	4.64	-	21.78	1.75	0.46	1.29	-	50.00

B) Joint Venture company

Name	Date of acquisition	Financial year ending	Shares of Joint Ventures held by the Company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(loss)		
			No.	Reporting Currency				For the Year	Considered in Consolidation	Not Considered in Consolidation
Counto Microfine Products Private Limited	01-08-2011	December 31, 2020	83,19,722	₹	14.86	Refer Note 4	Not applicable	47.03	9.75	4.87
		December 31, 2019	83,19,722	₹	16.16			47.53	14.47	7.24

Notes:

1. Dang Cement Industries Private Limited is a subsidiary situated in Nepal. Exchange rate considered is 1 ₹ = 1.6 Nepalese Rupee.
2. Figures of ACC Limited are as per their consolidated financial statements which also includes its share in Joint venture, OneIndia BSC Private Limited.
3. Figures of Oneindia BSC Private Limited (indirect subsidiary of the Company) is proportionate to the shareholding of the Company as the same is joint venture of its subsidiary ACC Limited.
4. Significant influence is demonstrated by holding 20% or more of the voting power of the investee.

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

N.S. Sekhsaria
Chairman & Principal Founder
DIN - 00276351

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director & Chief Executive Officer
DIN - 07419090

Mumbai, February 18, 2021