

# BOARD'S REPORT

## TO THE MEMBERS

The Board of Directors are pleased to present your Company's 40<sup>th</sup> Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) for the fifteen months period ended March 31, 2023 (FY 2022-23).

### 1. FINANCIAL PERFORMANCE 2022-2023

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2022-23	2021	2022-23	2021
Revenue from Operations	38,937.03	28,965.46	19,985.43	13,979.04
Other Income	737.71	352.44	952.27	281.18
<b>Total Income</b>	<b>39,674.74</b>	<b>29,317.90</b>	<b>20,937.70</b>	<b>14,260.22</b>
<b>Profit before Tax</b>	<b>3,729.49</b>	<b>5,164.47</b>	<b>3,055.05</b>	<b>2,787.90</b>
Tax Expenses	705.11	1,453.43	501.56	704.71
<b>Profit for the year</b>	<b>3,024.38</b>	<b>3,711.04</b>	<b>2,553.49</b>	<b>2,083.19</b>
Attributable to				
Owners of your Company	2,583.40	2,780.38	2,553.49	2,083.19
Non-controlling Interest	440.98	930.66	-----	-----
Other Comprehensive Income/(Loss)	28.87	11.11	(2.11)	5.67
<b>Total Comprehensive Income</b>	<b>3,053.25</b>	<b>3,722.15</b>	<b>2,551.38</b>	<b>2,088.86</b>
Attributable to				
Owners of your Company	2,596.81	2,788.78	2,551.38	2,088.86
Non-controlling Interest	456.44	933.37	----	----
<b>Opening Balance in retained earnings</b>	<b>6,516.20</b>	<b>3,925.98</b>	<b>3,526.28</b>	<b>1,635.98</b>
Amount available for appropriations	9,113.01	6,714.76	6,077.66	3,724.84
<b>Appropriations</b>				
Final Dividend Paid for 2021	1,250.96	198.56	1,250.96	198.56
<b>Closing balance in retained earnings</b>	<b>7,857.70</b>	<b>6,516.20</b>	<b>4,826.70</b>	<b>3,526.28</b>

The performance of the current year is not comparable to that of the previous year due to change in accounting period, as current year comprises of a period of 15 months as against 12 months of the previous year.

### 2. CHANGE OF MANAGEMENT – ENTRY OF ADANI GROUP

During the FY 2022-23, your Company became a part of the Adani Group, as Holcim divested their entire shareholding and control in your Company by way of transfer of 100% shareholding of Holderind Investments Limited (Holderind) to Endeavour Trade and Investment Ltd., a company belonging to Adani group (Endeavour). In view of the above, Endeavour also became one of the Promoter of your Company along with Holderind.

With the change in the promoters, there was a change in the Management of your Company. Your Company also revised its Financial year from January- December to April-March to comply with the provisions of the Companies Act, 2013. Accordingly, the financial performance presented is for a period of 15 months i.e. from January 01, 2022 to March 31, 2023.

### 3. OVERVIEW OF COMPANY'S OPERATIONAL AND PERFORMANCE HIGHLIGHTS

- Consolidated income, comprising Revenue from Operations and other income, for the FY 2022-23 was ₹ 39,675 as against ₹ 29,318 Crore in 2021.
- Consolidated Profit before Tax for the FY 2022-23 was ₹ 3,729 Crore vis-à-vis ₹ 5,164 Crore in 2021.
- Consolidated Profit after Tax for the FY 2022-23 was ₹ 3,024 Crore compared to ₹ 3,711 Crore in 2021.
- Cement production is 67.06 Million tonnes in 2022-23 as against 52.81 Million Tonnes in 2021.
- Cement Sales Volume is 67.60 Million tonnes in FY 2022-23 as against 53.23 Million Tonnes in 2021.
- The net sales in cement is ₹ 38,398 Crore in FY 2022-23 as against ₹ 28,548 Crore in 2021.



#### 4. DIVIDEND

Your Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the strong operational and financial performance during the FY 2022-23 under review, the Board of Directors is pleased to recommend a dividend of 2.50 per share (125%) for the period ended March 31, 2023. This represents a pay-out ratio of 19.4%.

The Dividend payment is in accordance with your Company's Dividend Distribution Policy. In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'). This policy is available on your Company's website at <https://www.ambujacement.com/Upload/PDF/8.-Dividend-distribution-policy.pdf>.

#### 5. CAPITAL STRUCTURE OF YOUR COMPANY

Your Company's paid-up equity share capital continues to stand at ₹ 397.13 Crore as on March 31, 2023.

During the FY 2022-23, your Company has issued 477,478,249 (Forty Seven Crores Seventy Four Lakhs Seventy Eight Thousand Two Hundred Forty Nine) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of your Company of face value of ₹ 2/- each ('Warrants') at a price of ₹ 418.87 each payable in cash ('Warrants Issue Price'), aggregating upto ₹ 20,001 crore. The warrant holders have paid 25% of the warrant issue price and have options to convert the warrants within a period of 18 months i.e by April 18, 2024.

Your Company does not have any scheme for the issue of shares, including sweat equity to the Employees or Directors of your Company.

#### 6. TRANSFER TO RESERVES

Your Company has not transferred any amount to the Reserves for the period ended March 31, 2023.

#### 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### 8. CAPACITY EXPANSION AND NEW PROJECTS

Your Company's current installed capacity is 31.45 MTPA. Detailed information on capacity expansion and new projects is covered in the report on

Management Discussion and Analysis forming part of this Annual Report.

#### 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 your Company. This reaffirms the reputation and trust your Company has earned for its sound financial management and its ability to meet its financial obligations.

#### 10. DEPOSITS

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of the FY 2022- 23 or the previous financial years. Your Company did not accept any deposit during the period 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. 54*)

#### 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.

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee. The 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.

The Internal Audit function, consisting of professionally qualified accountants, engineers, Fraud Risk and Information Technology audit specialists, is adequately skilled and resourced to deliver audit assurances at highest levels.

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.

##### 12.2 Internal Controls over Financial Reporting

Your Company's internal financial controls are commensurate with the scale and complexity of

its operations. The controls were tested during the FY 2022-23 and no reportable material weaknesses either in their design or operations were observed.

Your 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. WHISTLE BLOWER POLICY**

Your Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for its employees and Directors to report concerns about any unethical and improper activity, without fear of retaliation. No person has been denied access to the Chairman of the Audit Committee. The Whistle Blower policy is uploaded on the website of your Company at [https://www.ambujacement.com/Upload/PDF/3.-Whistle-Blower-Policy\\_New.pdf](https://www.ambujacement.com/Upload/PDF/3.-Whistle-Blower-Policy_New.pdf). The Audit Committee monitors and reviews the investigations of the whistle blower complaints. During the FY 2022-23 under review, 20 complaints were received under Whistle Blower Policy and were resolved after investigation.

### **14. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

As of March 31, 2023, your Company has six subsidiaries, one joint venture and one joint operation. Your Company had incorporated two wholly owned Subsidiaries i.e. Ambuja Shipping Services Ltd. and Ambuja Resources Ltd. during FY 2022-23.

M/s. Dirk India Private Limited ceased to be the subsidiary of your Company during the FY 2022-23 due to its merger with the Company and M/s. Dang Cement Industries Private Limited ceased to be the subsidiary of your Company during the FY 2022-23 due to the divestment made by the Company.

Pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules made thereunder and Regulation 33 of the SEBI Listing Regulations, your Company has prepared Consolidated Financial Statements of your Company and a separate statement containing the salient features of Financial Statement of subsidiary, joint venture and joint operation entities in Form AOC-1, which forms part of this Annual Report.

The Annual Financial Statements and related detailed information of the subsidiary / joint venture companies shall be made available to the shareholders of the holding and subsidiary / joint venture companies seeking such information on all working days during business hours. The financial statements of the subsidiary / joint venture companies shall also be kept for inspection by any

shareholders during working hours at your Company's registered office and that of the respective subsidiary / joint venture companies concerned. In accordance with Section 136 of the Act, the Audited Financial Statements, including Consolidated Financial Statements and related information of your Company and audited accounts of each of its subsidiary joint venture, are available on website of your Company at [www.ambujacement.com](http://www.ambujacement.com) under the 'Investors' section.

The Board of Directors of your Company has approved a Policy for determining material subsidiaries in line with the Listing Regulations. The Policy is available on your Company's website ([www.ambujacement.com/investors](http://www.ambujacement.com/investors))

Pursuant to Section 134 of the Act read with rules made thereunder, the details of developments of subsidiaries and joint ventures of your Company are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

### **15. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

#### **15.1 Directorate**

As of March 31, 2023, your Company's Board had eight members comprising of three Non Executive and Non-Independent Directors, one Executive Director and four Independent Directors including one woman Independent Director. The details of Board and Committees composition, tenure of Directors, areas of expertise and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

During the FY 2022-23, following changes took place:

#### **A. Appointments/Re-appointments**

With effect from September 16, 2022, the Board was re-constituted as under:

Mr. Gautam Adani - Non-Executive Chairman, Mr. Karan Adani-Non-Executive Director, Mr. M R Kumar - Nominee Director (LIC nominee), Mr. Rajneesh Kumar - Independent Director, Mr. Ameet Desai - Independent Director, Mr. Maheshwar Sahu - Independent Director and Ms. Purvi Seth - Independent Director, were appointed.

Mr. Ajay Kapur was appointed as Whole Time Director and CEO, by the Members at the Extra Ordinary General Meeting held on October 08, 2022 with effect from September 17, 2022 to November 30, 2025.

Mr. N. S. Sekhsaria, Chairman & Non-Executive, Non-Independent Director tendered his resignation from the position of Chairman and



Director of your Company w.e.f. September 16, 2022 in order to focus on other interests and endeavours. In recognition of his outstanding and invaluable contributions, Mr. Sekhsaria was appointed as "Chairman Emeritus" of your Company.

#### Retirement by Rotation

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of your Company, Mr. Karan Adani (DIN: 03088095) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

#### B. Cessation

The Holcim representatives on the Board – Mr. Jan Jenisch, Mr. Martin Kriegner, Mr. Christof Hassig, Ms. Then Hwee Tan, Mr. Ramanathan Muthu, Mr. Ranjit Shahani, Mr. Mario Gross resigned w.e.f. September 16, 2022 due to transfer of ownership of Holderind to Endeavour.

Mr. Praveen Kumar Molri and Mr. Arun Kumar Anand representatives of Life Insurance Corporation (LIC) tendered their resignation w.e.f. April 28, 2022 and September 15, 2022 respectively, pursuant to the withdrawal of their nominations by LIC.

The Independent Directors – Mr. Nasser Munjee, Mr. Shailesh Haribhakti, Mr. Rajendra Chitale and Dr. Omkar Goswami also resigned from your Company w.e.f. September 16, 2022 due to change of control of your Company.

Ms Shikha Sharma - Independent Director resigned for personal reasons w.e.f. September 16, 2022.

The Board placed on record its appreciation for the valuable services rendered by all outgoing Directors.

#### 15.2 Key Managerial Personnel

During the FY 2022-23 under review Mr. Neeraj Akhoury, Managing Director & CEO and Ms. Rajani Kesari, Chief Financial Officer resigned w.e.f. September 16, 2022. Mr. Rajiv Gandhi, Company Secretary resigned w.e.f. December 15, 2022 from your Company.

The Board placed on record its appreciation for the valuable services rendered by Mr. Neeraj Akhoury, Ms. Rajani Kesari and Mr. Rajiv Gandhi

Your Company appointed Mr. Vinod Bahety as Chief

Financial Officer and Mr Ajay Kapur as Whole Time Director & CEO w.e.f. September 17, 2022.

#### 15.3 Independent Directors

Your 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 your Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of your 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.

#### 15.4 Board effectiveness

##### a. Familiarisation programme for Independent Directors

Over the years, your 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, your Company's business model, the risks and opportunities, the new products, innovation, sustainability measures, digitization measures etc.

Details of the familiarisation programme are explained in the Report on Corporate Governance and are also available on your Company's website and can be accessed at <https://www.ambujacement.com/Upload/PDF/8.-Familiarization-programme.pdf>

##### b. Formal annual evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management, Stakeholders' Relationship, CSR Committees as mandated under the Act and SEBI 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 this Annual Report.

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

Your Company has in place, a policy for remuneration of Directors, Key Managerial Personnel and Members of the Managing Committee ('ManCom') 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 ManCom.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel is available at the website of your Company and can be accessed at <https://www.ambujacement.com/Upload/PDF/4.-Remuneration-Policy.pdf>

The Board has also formulated and adopted the policy on the 'Diversity of the Board'. The details of the same are available at the website of your Company and the weblink is provided in **Annexure-1** to this report.

### 16. 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 FY 2022-23, 10 Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of this Annual Report.

During the FY 2022-23 under review, with an objective of further strengthening the governance standards so as to match with internationally accepted better practices, the Board had reconstituted certain existing Committees to bring more independence; constituted certain new Committees and Sub-committees; and amended / adopted the terms of reference of the said Committees. Most of the Committees consist of

majority of Independent Directors. All Committees are chaired by an Independent Director. Details of the various Committees constituted by the Board, including the Committees mandated pursuant to the applicable provisions of the Act and SEBI Listing Regulations, are given in the Corporate Governance Report, which forms part of this Annual Report.

### 17. Independent Directors' Meeting

The Independent Directors met on 30th March, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of your Company, taking into account the views of Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 18. CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Corporate Social Responsibility (CSR) Committee and framed a CSR Policy. The brief details of CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure-2**.

The CSR Policy and CSR Plan as recommended by the CSR Committee and as approved by the Board is available on the website of your Company and can be accessed at <https://www.ambujacement.com/Upload/PDF/1.-Corporate-Social-Responsibility-Policygh.pdf>

Further, the Chief Financial Officer of your Company has certified that CSR spends of your Company for the FY 2022-23 have been utilised for the purpose and in the manner approved by the Board of the Company.

### 19. RISK MANAGEMENT FRAMEWORK

Your 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 process. To systematically identify





risks and opportunities and monitor their movement, a heat map has been designed comprising two (2) parameters:

- likelihood of the event and
- the impact it is expected to have on your 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 ManCom in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into your Company's planning cycle, which is a rolling process to, inter-alia periodically review the movement of the risks on the heat map and the effectiveness of the mitigation plan.

The detailed section on key business risks and opportunities forms part of Management Discussion and Analysis Report, which forms part of this Annual Report.

## 20. TRANSACTIONS WITH RELATED PARTIES

Your 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 WTD & CEO and the CFO.

All transactions with related parties during the FY 2022-23 were on arm's length basis and were in the ordinary course of business. The details of the material related-party transactions entered into during the FY 2022-23 as per the policy on RPTs approved by the Board have been reported in Form AOC 2, which is given in **Annexure-3** to this Report.

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

Your Company did not enter into any related party transactions during the year which could be prejudicial to the interest of minority shareholders. No loans / investments to / in the related party have been written off or classified as doubtful during the year under review.

The policy on RPTs as approved by the Board of Directors has been uploaded on your Company's

website and can be accessed at <https://www.ambujacement.com/Upload/PDF/2.-Related-Party-Transcation-Policy.pdf>

## 21. TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO THE IEPF

In line with the statutory requirements, your 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 time lines laid down by the Ministry of Corporate Affairs. Unpaid/unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

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

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

- Appeal filed by your Company against the Order of the CCI levying penalty of ₹ 1,163.91 crore on your Company was heard and dismissed by the NCLAT in July 2018 and CCI's Order was upheld. Further, your Company has challenged the judgement passed by NCLAT before the Hon'ble Supreme Court in September 2018. The Hon'ble Supreme Court has admitted your Company's Appeal and ordered for the continuation of interim order passed by the Tribunal.
- 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 crore on your Company. Your 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 'Note of Submission' is filed as directed by NCLAT and during the FY 2022-23 there is no further development.

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 your 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.

## 23. AUDITORS

### 23.1 Statutory Auditor & Auditors' Report

M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/E300003) were appointed as the Statutory Auditors of your Company for a period of 5 years to hold office from the conclusion of the 39<sup>th</sup> AGM till the conclusion of the 44<sup>th</sup> AGM to be held in 2027. The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with your Company as well as declaring that they have not taken up any prohibited non-audit assignments for your 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 your Company. The Auditors' Report for financial year 2022-2023 on the Financial Statement (standalone and consolidated) of your Company forms part of this Annual Report.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory. The Auditors' Report is enclosed with the financial statements forming part of this Annual Report.

#### *Explanation to Auditors' Comment:*

The Auditors' Qualification has been appropriately dealt with in Note No. 65 and 71 of the Notes to the Audited Financial Statements on Standalone and Consolidated basis respectively.

### 23.2 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 your Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board has 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, to conduct the cost audit of your Company for the financial year ending March 31, 2023, at a remuneration as mentioned in the Notice convening the 40<sup>th</sup> 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 P.M. Nanabhoy & Co. Cost Accountants have confirmed that the cost records for the financial year ended December 31, 2021 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. The cost audit report for the FY 2021 was filed before the due date with Ministry of Corporate Affairs.

### 23.3 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 had appointed M/s. Mehta & Mehta, Company Secretaries in Practice, Mumbai, as the Secretarial Auditor for conducting Secretarial Audit of your Company for the financial year ended March 31, 2023.

The report of the Secretarial Auditor is given in **Annexure-4**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 24. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF YOUR COMPANY

There are no material changes and commitments, affecting the financial position of your Company, which has occurred between the end of FY 2022-23 and the date of this report.

## 25. CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the FY 2022-23 under review, your Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from your Company's auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of this Annual Report.

### Board Policies

The details of the policies approved and adopted by the Board as required under the Act and SEBI Listing Regulations are provided in **Annexure-1** to this report.

## 26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report, describing the initiatives taken by your Company from environment, social and governance perspective, for the FY 2022-23, forms part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations.

## 27. PARTICULARS OF EMPLOYEES

Your Company had 4,146 employees on standalone basis as on March 31, 2023.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-5** 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 the first provision of section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the registered office of your Company during business hours on working days upto the date of the ensuing AGM. Any Member, who is interested in obtaining these, may write to the Chief Financial Officer or your Company Secretary at the Registered Office of your Company.

## 28. REPORTING OF FRAUDS BY AUDITORS

During FY 2022-23 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 your Company by its officers or employees, the details of which would need to be mentioned in this Report.

## 29. 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 draft of the Annual Return of your Company for the financial year ended March 31, 2023 is uploaded on the website of your Company and can be accessed at [www.ambujacement.com](http://www.ambujacement.com)

## 30. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that your Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India, which have mandatory application during the FY 2022-23 under review.

## 31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures required to be made under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is as follows:

### A) Conservation of Energy

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

1. Installation of medium voltage variable frequency drives ('MVVFD') & low

voltage variable frequency drives ('LVVFD') for process fans across all ACL plants (Ambuja nagar, Bhatapara, Maratha & Panvel)

2. Burner upgradation at Ambuja nagar, Bhatapara, Rauri, Suli & Maratha
3. Replacement of Component Cooling Water (CCW) Pump with higher efficiency pump (Bhatapara)
4. Reduction in Station Heat Rate (SHR) and auxiliary power consumption by replacing vacuum pump. (Rabriyawas)
5. Installation of LED Lights at Plant and Colony at various location across all plants
6. Optimisation of grinding aid consumption in cement mill across all plants
7. Reduction in Specific Thermal Energy Consumption (STEC) by installation of high level controller in Bhatapara (Kiln – 1)
8. Reduction in (Specific Electric Energy consumption) SEEC Grinding by installation of Mill master (Ropar, Bhatinda, Nalagarh)
9. Improvement in both STEC & SEEC by cooler replacement at Rabriyawas
10. Replacement of 50% traditional HSD usage with PYROLITIC oil in heavy mobile equipment.
11. Replacement of separators in mills [Raw mill / Cement mills] to improve productivity
12. Maximising utilisation of renewal energy & power from WHRS
13. Utilization of electric & Liquified Natural Gas (LNG) vehicle at Ambuja nagar
14. Focus on Productivity Rate Index ('PRI') improvement through Computational Fluid Dynamics ('CFD') studies and through other in house modification at Rauri, Darlaghat, Ambuja nagar (3 kilns), Maratha

Also, additional internal actions have been taken like timely heat balance and maintenance of equipment's has increased productivity, thus improving energy consumption.

#### (b) The capital investment on energy conservation equipment :Capex ~

1. Power saving in by installing VFD, LVFD & MVVFD



2. 2 nos. High efficiency Condensor Cooling Water (CCW) Pumps for TPP
  3. 1 no. Vacuum Pump in place of Steam-jet air ejectors (SJAE)
  4. 4 no. burner upgradation
  5. AFR feeding system upgradation – Solid & Liquid
  6. Installation of Gas by-pass system for increasing AF utilization
  7. New AFR feeding system, with increased capacity
  8. Installation made for increasing utilization of wet / conditioned fly ash
  9. 3 nos. of separator replacement
  10. Fibre Reinforced Plastic (FRP) blade fan installation for Captive Power plant (CPP)
- (c) **Steps taken for alternate source of utilisation:**
1. ~1.24 Lakh units of power, generated from WHRS installed at Rabriyawas, Bhatapara & Rauri has been consumed in above period. WHRS at Suli plant to be commissioned soon.
  2. 1.09 Lakh unit of renewal power [own + Certificate Purchased] during the reporting period
  3. Thermal Substitution Rate (TSR %) increase by 71 bps as compared to 2021.

#### B) Technology Absorption

##### (a) Efforts made towards Technology Absorption:

1. Installation of mill master to improve productivity of cement mill
2. Installation of high-level control to improve productivity of kiln
3. Technical Information system (TIS) Installation at plant locations along with PACT dashboard for close monitoring of process data

#### (b) Information regarding Technology Imported during period Jan'22 – Mar'23:

Details of Projects involved in Imports	Status
New XRF at Ambuja nagar, Rabriyawas & Ropar	Fully Absorbed
X-ray Analyser at Bhatapara	Fully Absorbed
Mill Master installation at Bhatinda, Nalagarh, Roorkee & Farakka	Fully Absorbed
TIS installation at Ambuja nagar, Rabriyawas & Farakka	Fully Absorbed
Shredder spares [Cutting table, Side & Central Comb, Hydraulic pump, Hydraulic Motor] at Maratha & Ambuja nagar	Fully Absorbed
Burner Replacement at Ambuja nagar, Maratha & Darlaghat	Fully Absorbed
WHRs System at Rauri, Suli & Bhatapara (Kiln -1)	Partially Absorbed
Ecostar Screen shaft assembly at Maratha & Ambuja nagar	Partially Absorbed
Retrofitting of LNG kits in 16 nos Tipppers, Tip-Trailers & Bulklers at Ambuja nagar Mines	Fully Absorbed
Screw conveyor set for Split hopper at Ambuja nagar	Partially Absorbed
Replacement of Cutting Mill (Lab)	Fully Absorbed
Replacement of Brokk machine at Ambuja nagar	Fully Absorbed
Complete Cooler Replacement at Rabriyawas	Fully Absorbed
ATS Crane Winch Gear Box at Ambuja nagar	Partially Absorbed
PGNNA analyser for limestone stacker belt at Ambuja & Gajambuja unit at Ambuja nagar	Fully Absorbed
Cutting Rotor set at Maratha	Fully Absorbed
Chain Conveyor accessories at Maratha	Partially Absorbed
Replacement of Bomb calorimeter at CPP at Maratha	Fully Absorbed
Replacement of Kiln & Cooler CCTV System at Maratha	Fully Absorbed

#### (c) Benefits derived (Cost reduction, product improvement/improvement, Import substitution):

1. Improvement in clinker factor by increasing clinker reactivity and intern increasing the Flyash usage.
  2. AFR use brings down the requirement of conventional fuels.
  3. Solar power saves fuels used and impacts heavily on electricity cost.
  4. Energy saving through initiative like Variable Frequency Drive (VFD) installation, LED lights and optimisation.
- (c) There is no major Expenditure for R&D for the period of Jan'22 – Mar'23, as various projects were executed. However, expansion plan for laboratory is under progress.

#### D) Foreign Exchange Earnings and Outgo

	₹ Crore
Foreign Exchange earned	5,002
Foreign exchange outgo	2,214



## 32. OTHER DISCLOSURES

- 32.1** The WTD & CEO of your Company is not drawing any remuneration or commission from any of the subsidiary of the Company.
- 32.2** Your Company has taken appropriate insurance for all assets against foreseeable perils.
- 32.3** There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- 32.4** Your Company has not issued any shares with differential voting rights/sweat equity shares.
- 32.5** There was no revision in the Financial Statements.
- 32.6** There has been no change in the nature of business of your Company as on the date of this report.
- 32.7** There are no proceedings, either filed by Company or filed against Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the FY 2022-23.

### 32.8 Prevention of Sexual Harassment of Women at the Workplace

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committees (ICs) at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external member with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely. During FY 2022-23 under review, there was no complaint pertaining to sexual harassment. All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by your Company.

## 33. 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 Financial Statements for the extended Financial year ended March 31, 2023, 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 3 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 your Company as on March 31, 2023, and of the profit of your 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 your 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 your 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

## 34. 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.

**For and on behalf of the Board of Directors  
For Ambuja Cements Limited**

Ahmedabad  
2<sup>nd</sup> May 2023

**Gautam Adani**  
Chairman  
DIN : 00006273

## BOARD POLICIES

Name of Policies	Legislation	Weblink
Vigil Mechanism / Whistle Blower Policy	Regulation 22 of SEBI Listing Regulations and as defined under Section 177 of the Act.	<a href="https://www.ambujacement.com/Upload/PDF/Whistle_Blower_PolicyMay23.pdf">https://www.ambujacement.com/Upload/PDF/Whistle_Blower_PolicyMay23.pdf</a>
Policy for procedure of inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information	Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015.	<a href="https://www.ambujacement.com/Upload/PDF/7.-Leak-of-UPSI-Policy.pdf">https://www.ambujacement.com/Upload/PDF/7.-Leak-of-UPSI-Policy.pdf</a>
Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders	Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015.	<a href="https://www.ambujacement.com/Upload/PDF/5.-Insider-Trading-Code.pdf">https://www.ambujacement.com/Upload/PDF/5.-Insider-Trading-Code.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Act	<a href="https://www.ambujacement.com/Upload/PDF/1.-Terms-and-Conditions-of-Independent-Directors.pdf">https://www.ambujacement.com/Upload/PDF/1.-Terms-and-Conditions-of-Independent-Directors.pdf</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/6.-Familiarisation-program-for-Independent-Directors.pdf">https://www.ambujacement.com/Upload/PDF/6.-Familiarisation-program-for-Independent-Directors.pdf</a>
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act.	<a href="https://www.ambujacement.com/Upload/PDF/2.-Related-Party-Transcation-Policy.pdf">https://www.ambujacement.com/Upload/PDF/2.-Related-Party-Transcation-Policy.pdf</a>
Policy on Material Subsidiaries	Regulation 24 of the SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/5.-Policy-for-determining-material-subsiary.pdf">https://www.ambujacement.com/Upload/PDF/5.-Policy-for-determining-material-subsiary.pdf</a>
Material Events Policy	Regulation 30 of SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/6.-Material-Events-Policy.pdf">https://www.ambujacement.com/Upload/PDF/6.-Material-Events-Policy.pdf</a>
Website content Archival Policy	SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/10.-Website-Content-Archival-Policy.pdf">https://www.ambujacement.com/Upload/PDF/10.-Website-Content-Archival-Policy.pdf</a>
Nomination and Remuneration Policy of Directors, KMP and other Employees	Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act.	<a href="https://www.ambujacement.com/Upload/PDF/4.-Remuneration-Policy.pdf">https://www.ambujacement.com/Upload/PDF/4.-Remuneration-Policy.pdf</a>
CSR Policy	Section 135 of the Act.	<a href="https://www.ambujacement.com/Upload/PDF/1.-Corporate-Social-Responsibility-Policygh.pdf">https://www.ambujacement.com/Upload/PDF/1.-Corporate-Social-Responsibility-Policygh.pdf</a>
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/8.-Dividend-distribution-policy.pdf">https://www.ambujacement.com/Upload/PDF/8.-Dividend-distribution-policy.pdf</a>
Code of Conduct for Board of Directors and Senior Management of the Company	Regulation 17 of the SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/2.-Code-of-Conduct.pdf">https://www.ambujacement.com/Upload/PDF/2.-Code-of-Conduct.pdf</a>
Policy on Board Diversity	Regulation 19 of the SEBI Listing Regulations.	<a href="https://www.ambujacement.com/Upload/PDF/11.-Diversity-Policy.pdf">https://www.ambujacement.com/Upload/PDF/11.-Diversity-Policy.pdf</a>



## ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

### 1. A brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

Ambuja Cements Ltd. (ACL) conducts its CSR Programs mainly through its social development arm, Ambuja Cement Foundation (ACF). ACF was envisioned in 1993 to directly engage with Company's host communities and facilitate their quality of life alongside business growth. Since the last three decades ACF has been working mainly with communities around ACL manufacturing sites, and is currently active across 21 districts of 12 states. 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) & Rural Infrastructure Development.

In addition to the community based thrusts mentioned above, Ambuja Cements operates 5 schools in Ambuja Cement's IPs through Ambuja Vidya Niketan Trust and providing quality healthcare to all through a multi-specialty hospital in Ambujanagar through Ambuja Hospital Trust.

### 2. Composition of the CSR committee as on March 31, 2023:

1.	Mr. Rajnish Kumar	Chairman	Non-Executive Independent Director
2.	Mr. Karan Adani	Member	Non-Executive Non-Independent Director
3.	Mr. Maheshwar Sahu	Member	Non-Executive Independent Director
4.	Ms. Purvi Sheth	Member	Non-Executive Independent Director

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the web site of the Company:

Other committees | Ambuja Cement

1.-Corporate-Social-Responsibility-Policygh.pdf (ambujacement.com)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

#### Executive Summary of Impact Assessment Reports

#### 1. Social Return on Investment (SROI) Study Farakka, Murshidabad, West Bengal

Conducted by: CII Centre of Excellence for Sustainable Development (CESD)

Critical findings: The average Location SROI worked out to 9.91 that indicates that for each rupee invested, a social return of ₹ 9.91 is generated through development initiatives taken up by ACF at Farkka.

Development Programme	SROI value
Agro Based Livelihood	14.94
Community Health	9.90
Women Empowerment	9.60
Skill and Entrepreneurship Development	9.15
Water Resource Management	8.27
Average SROI	9.91

#### 2) Impact Assessment Report of 'Interventions under the Non-Communicable Diseases (NCDs) Project'

Conducted by: Soulace Consulting Private Limited

Ambuja locations: Bhatapara, Chattisgarh, Darlaghat, HP, Chandrapur, Maharashtra and Roorkee, Uttarakhand

Critical Findings:

- The interventions improved awareness levels regarding NCDs among the community;
- 7.4% increase in number of people believing that NCDs can be prevented

- ACF's Program model to control NCDs was found robust, lead to adoption of healthy practices by the community and successfully ensured continuity of care in villages.

**Weblink to assess Impact Assessment Reports :**

<https://www.ambujacement.com/Sustainability/Corporate-social-responsibility>

5. (a) Average net profit of the Company as per Section 135(5) : ₹ **2278.29 crores.**  
 (b) Two percent of average net profit of the Company as per section 135(5) : ₹ **45.57 crores.**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **NIL**  
 (d) Amount required to be set off for the financial year, if any: **NIL**  
 (e) Total CSR obligation for the financial year [(b) +(c)-(d)]: ₹ **45.57 crores**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **70.58 crores**  
 (b) Amount spent in Administrative Overheads: ₹ **2.70 crores.**  
 (c) Amount spent on Impact Assessment, if applicable: **NIL**  
 (d) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **73.28 crores.**  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year 2022-23 (In ₹)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
73.28 crore	NIL	NIL	NIL	NIL	NIL

- (f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹ Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	45.57
(ii)	Total amount spent for the Financial Year	73.28
(iii)	Excess amount spent for the financial year [(ii)-(i)]	27.71
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	27.71

7. (a) Details of Unspent CSR amount for the preceding three financial years :

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (In ₹)	Amount spent in the Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding Financial years. (In ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer.		
	FY-2019	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	FY-2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	FY-2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NIL**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **N.A**

**For and on behalf of Ambuja Cements Limited**

Sd/-  
**(Ajay Kapur)**  
 WTD & CEO  
 DIN : 03096416

Sd/-  
**(Rajnish Kumar)**  
 Chairman – CSR Committee  
 DIN : 0532267





## Annexure - 3

**Form No. AOC-2**  
**January 2022 to March – 2023**

**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 period ended 31st March 2023, 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 (net of GST) for the period ended March 31, 2023 are as follows;

Name of the related party	Nature of Relationship	Duration of Contract	Terms <sup>(1)</sup>	Amount (in ₹ Crore)
<b>Nature of Contract</b>				
<b>Purchase of goods or fixed Assets</b>				
ACC Limited	Subsidiary	January 01, 2022 - March 31, 2023	Based on Transfer Pricing Guidelines	1,164.57
				<b>1,164.57</b>
<b>Sale of goods or fixed assets</b>				
ACC Limited	Subsidiary	January 01, 2022 - March 31, 2023	Based on Transfer Pricing Guidelines	2,146.43
				<b>2,146.43</b>
<b>Receiving of Services</b>				
ACC Limited	Subsidiary	January 01, 2022- March 31, 2023	Based on Transfer Pricing Guidelines	76.30
				<b>76.30</b>
<b>Rendering of Services</b>				
ACC Limited	Subsidiary	January 01, 2022 -March 31, 2023	Based on Transfer Pricing Guidelines	54.01
				<b>54.01</b>

**Note:**

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

## FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

{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,  
**AMBUJA CEMENTS LIMITED**  
Adani Corporate House,  
Shantigram, Near Vaishnav Devi Circle,  
S. G. Highway, Khodiyar,  
Ahmedabad GJ 382421.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices 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 conduct 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 March 31, 2023, 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 half year ended on June 30, 2022, 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(during the period 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'):-

- (vi) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (viii) 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);**
- (ix) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the Company);**
- (x) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(during the period under review not applicable to the Company);**
- (xi) 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);**
- (xii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(during the period under review not applicable to the Company);**
- (xiii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**
- (xiv) Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988
- (xv) Mines Act, 1952 read with Mines Rules, 1955
- (xvi) Cement Cess Rule, 1993
- (xvii) Cement (Quality Control) Order, 2003.

**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;



During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc.

**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 notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**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.

Place: Mumbai  
Date: May 02, 2023

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

**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.

- a) **The Company at its Annual General Meeting held on April 29, 2022 declared final dividend ₹ 6.30 per equity share for the Financial Year ended December 31, 2021.**
- b) **The Board at its meeting held on May 15, 2022 informed that Holderind B.V. signed a Share Purchase Agreement with Endeavour Trade and Investment Ltd, a Mauritius based company of the Adani Group, of India to sell its entire shareholding in Holderind Investments Limited resulting in the indirect transfer of 63.11% of the share capital of Ambuja Cements Limited.**
- c) **The Company at its Extraordinary General meeting held on October 08, 2022 has passed special resolution for issuance of securities on preferential basis, change in registered office of the Company and amended Article of Association.**
- d) **The Board at its meeting held on September 16, 2022 has passed a resolution for change in financial year i.e from January-December to April-March.**

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

**Dipti Mehta**  
Partner  
FCS No: 3667  
CP No: 23905  
UDIN:F003667E000235571

## Annexure A

To,  
The Members,  
**AMBUJA CEMENTS LIMITED**  
Adani Corporate House,  
Shantigram, Near Vaishnav Devi Circle,  
S. G. Highway, Khodiyar,  
Ahmedabad GJ 382421.

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 in Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said 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)

Place: Mumbai  
Date: May 02, 2023

**Dipti Mehta**  
Partner  
FCS No: 3667  
CP No: 23905  
UDIN: F003667E000235571



## Annexure - 5

### Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### (A) RATIO OF THE REMUNERATION OF EACH DIRECTOR/KMP TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR:

Name of Director and KMP	Ratio of remuneration of each Director to median remuneration of employees (a)	% increase in remuneration in the Financial Year 2022-23
<b>Non-Executive Directors</b>		
Mr. Gautam Adani (from 16th September 2022)	NA	NA
Mr. Karan Adani (from 16th September 2022)	NA	NA
Mr. M. R. Kumar (from 16th September 2022)	1.56	NA
Mr. N.S. Sekhsaria (upto 16th September 2022)	2.44	NA
Mr. Jan Jenisch (upto 16th September 2022)	2.01	NA
Mr. Chrisof Haessig (upto 16th September 2022)	2.21	NA
Mr. Martin Kriegner (upto 16th September 2022)	NA	NA
Ms. Then Hwee Tan (upto 16th September 2022)	2.40	NA
Mr. Mahendra Kumar Sharma (resigned w.e.f 29th April 2022)	0.94	NA
Mr. Ranjit Shahani ( upto 16.09.2022)	2.37	NA
Mr. Praveen Kumar Molri (resigned w.e.f 17th March 2022)	0.62	NA
Mr. Ramanathan Muthu (upto 16th September 2022)	2.21	NA
Mr. Mario Gross ( upto 16th September 2022)	1.28	NA
Mr. Arun Kumar Anand ( upto 16th September 2022)	1.59	NA
<b>Independent Directors</b>		
Mr. Maheswar Sahu (from 16th September 2022)	2.36	NA
Mr. Rajnish Kumar (from 16th September 2022)	2.36	NA
Mr. Ameet Desai (from 16th September 2022)	2.29	NA
Ms. Purvi Sheth (from 16th September 2022)	1.96	NA
Mr. Nasser Munjee (upto 16th September 2022)	3.04	NA
Mr. Rajendra Chitale (upto 16th September 2022)	3.04	NA
Mr. Shailesh Haribhakti (upto 16th September 2022)	5.70	NA
Dr. Omkar Goswami (upto 16th September 2022)	5.90	NA
Mr. Praveen Kumar Motri	0.61	NA
Ms. Shikha Sharma (upto 16th September 2022)	5.47	NA
<b>Executive Director</b>		
Mr. Neeraj Akhouri, MD & CEO (upto 16th September 2022)	297.81	NA
Mr. Ajay Kapur , WTD and CEO (from 17th September 2022)	47.72	NA
<b>Other KMPs</b>		
Mr. Vinod Bahety, CFO (from 16th September 2022)	37.58	NA
Ms. Rajani Kesari, CFO (upto 16th September 2022)	90.24	NA
Mr. Rajiv Gandhi, Company Secretary (upto 15th December 2022)	42.54	NA

- Notes : (1) (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st January, 2022 to 31st March, 2023;
- (b) The remuneration to Directors includes sitting fees paid for attending Board and Committee Meeting and commission payable to them for the year ended 31st March, 2023.
- (c) Remuneration to WTD, 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 were changes in the Director and KMP including the MD & CEO and CFO during the year and hence the figures are not comparable and percentage increase in remuneration is not provided.

#### (B) MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23:

₹ 7,54,836



**(C) PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR:**

10.9%

**(D) NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON 31ST MARCH 2023**

4146

**(E) 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:**

(i) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. WTD & CEO) is 8.4%.

(ii) There is no change in the remuneration of Managerial Personnel ( i.e. WTD & CEO).

**(F) Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

The Company affirms remuneration is as per the Remuneration Policy of the Company.