ACL:SEC:

Ambuja Cement

16 March 2020

BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400023	National Stock Exchange of India Ltd., Plot No.C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400051
Deutsche Bank Trust Company Americas Winchester House 1 Great Winchester Street London EC2N 2DB, Fax No.+44207547 6073 Ctas Documents <ctas.documents@db.com	Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P 165 FAX NO.00352 473298 "Luxembourg Stock Ex-Group ID " <ost@bourse.lu

Dear Sir,

Sub:- 37th Annual General Meeting" of the members of the Company

This is to inform you that the Thirty Seventh Annual General Meeting of the Members of the Company will be held on Thursday, 9th April, 2020 at 10.30 a.m. at the Registered Office of the Company at P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715,

The Integrated Annual Report for the financial year ended 31st December, 2019, including the Notice convening the Annual General Meeting, is attached.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ("e-voting"). The e-voting communication giving instructions for e-voting, being sent along with the Integrated Annual Report, is also attached.

The Annual Report for the Corporate Financial Year ended 31st December, 2019 along with the Notice of the AGM sent to the shareholders has also been uploaded on the website of the Company at www.ambujacement.com

In terms of the Listing Regulations, the Company is providing one-way live webcast of the proceedings of the 37th AGM. Members can view the live webcast by logging on the evoting website of CDSL, at www.evotingindia.com

We request you to take the above information on record

Thanking you,

Yours faithfully,

For **AMBUJA CEMENTS LIMITED**

Rajiv N. Gandhi

RAJIV GANDHI
COMPANY SECRETARY
Membership No.A11263

AMBUJA CEMENTS LIMITED

Registered Office: P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715
Corp. Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai 400 059,
CIN: L26942GJ1981PLC004717 Email: shares@ambujacement.com
Website: www.ambujacement.com

Notice

NOTICE is hereby given that the THIRTY SEVENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, 9th April, 2020 at 10.30 a.m. at the Registered Office of the Company at P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715, to transact the following business:-

Ordinary Business

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st December, 2019, together with the Reports of the Directors and the Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2019 and the Report of the Auditors thereon.
2. To declare Dividend on equity shares for the financial year ended 31st December, 2019.
3. To appoint a Director in place of Mr. Jan Jenisch (DIN: 07957196), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Martin Kriegner (DIN: 00077715), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Christof Hassig (DIN: 01680305), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

6. Payment of Commission to Non-Executive Directors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, as amended from time to time, the Non-Executive Directors of the Company (i.e. directors other than Managing Director and/or the Whole-time Director(s)) be paid, remuneration in such amounts or proportions and in such manner, in addition to the sitting fee for attending the meeting of the Board or Committees thereof, and in all respects as the Board of Directors (which includes any committee thereof) may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, for a period of five years, commencing from 1st January, 2020 as computed in the manner laid down in Section 198 of the Companies Act, 2013 or such other percentage as may be specified by the Act from time to time in this regard."

7. Appointment of Mr. Neeraj Akhoury (DIN: 07419090) as a Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Neeraj Akhoury (DIN: 07419090) who was appointed as an Additional Directorof the Company w.e.f. 21st February, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Article of Association of the Company and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and being eligible, offers himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Akhoury's candidature for the office of the Director, be and is hereby appointed as a Director of the Company, with effect from the date of this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. Appointment of Mr. Neeraj Akhoury (DIN: 07419090) as the Managing Director & CEO

To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded for the appointment of Mr. Neeraj Akhoury (DIN: 07419090) as

the Managing Director and Chief Executive Officer (CEO) of the Company, for a period of 5 (five) years with effect from 21st February, 2020 upto 20th February, 2025 upon the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Mr. Neeraj Akhoury."

"RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and is hereby authorized to revise the remuneration of Mr. Akhoury from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. Ratification of remuneration to the Cost Auditors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P.M. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed as the Cost Auditors of the Company by the Board of Director for the conduct of the audit of the cost records of the Company for the financial year 2020 at a remuneration of ₹ 10,00,000 (Rupees Ten Lacs) per annum plus reimbursement of the travelling and other out-of- pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place: Mumbai
Date: 20th February, 2020

Notes:-

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business under Item nos. 6 to 9 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') entered with the Stock Exchanges and Secretarial Standard on General meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.

2. The requirement to place the matter relating to the appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 34th Annual General Meeting held on 31st March, 2017.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.**

   A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

   Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be made available at the AGM venue.

6. The Record Date for payment of dividend has been fixed as Tuesday, 7th April 2020.

7. **Dividend :** The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on Tuesday, 7th April, 2020 as per the downloads furnished to the Company by Depositories for this purpose, In physical mode, if their names appear in the Company's register of members as on Tuesday, 7th April, 2020.

8. Pursuant to Section 101 and 136 of the Act read with the relevant Rules made thereunder, Regulation 36 of Listing

Regulations and SS-2, the copy of the Annual Report including Financial statements, Board's report and Annexures thereto etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to shares@ambujacement.com mentioning your Folio/DP ID & Client ID.

Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2019 will also be available on the Company's website www.ambujacement.com for their download.

All the documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 10.00 a.m and 1.00 p.m. up to the date of Annual General Meeting.

9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

11. **Green Initiative :** To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

12. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

13. **Submission of PAN:** Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-

    a) Transferees and Transferors PAN Cards for transfer of shares,

    b) Legal Heirs'/Nominees' PAN Card for transmission of shares,

    c) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and

    d) Joint Holders' PAN Cards for transposition of shares.

14. **Bank Account Details:** Regulation 12 and Schedule I of SEBI Listing Regulation requires all companies to use the facilities of electronic clearing services for payment of dividend. In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.

15. **Share Transfer permitted only in Demat :** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.

16. **Shareholders' Communication:** Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address:

    LINK INTIME INDIA PVT. LTD. (Unit: Ambuja Cements Ltd.) C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083. Tel. No. (022) 4918 6000 Fax No. (022) 4918 6060.

    If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

17. **Unclaimed/Unpaid Dividend :** Pursuant to Section 124 of the Companies Act, 2013, the unpaid dividends that are due to transfer to the Investor Education and Protection Fund(IEPF) are as follows:

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
Financial 2012 (Final)	07.02.2013	06.05.2020
Financial 2013 (Interim)	24.07.2013	26.08.2020
Financial 2013 (Final)	06.02.2014	11.05.2021
Financial 2014 (Interim)	24.07.2014	22.08.2021
Financial 2014 (Final)	18.02.2015	06.05.2022
Financial 2015 (Interim)	27.07.2015	30.08.2022
Financial 2015 (Final)	10.02.2016	12.04.2023
Financial 2016 (Interim)	26.07.2016	29.08.2023
Financial 2016 (Final)	20.02.2017	29.04.2024
Financial 2017 (Interim)	24.07.2017	29.08.2024
Financial 2017 (Final)	20.02.2018	15.07.2025

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ its Registrar, for obtaining payments thereof atleast 30 days before they are due for transfer to the said fund.

Any member, who has not claimed final dividend in respect of the financial year ended 31st December, 2012 onwards is requested to approach the Company/ the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 31st March, 2020 for final dividend of F.Y. 2012 and 30th June, 2020 for interim dividend of F.Y. 2013.

The Company has already sent reminders to all such members at their registered addresses for claiming the unpaid/unclaimed dividend, which will be transferred to IEPF in the due course.

18. **Compulsory transfer of Equity Shares to IEPF Account:** Pursuant to Section 124 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority(Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF.

    During the Financial year 2019, unclaimed final dividend for the Financial year 2011 aggregating to ₹ 1,10,77326/- and interim dividend for Financial year 2012 aggregating to ₹ 81,67,049/- and the 332545 Equity shares in respect of which dividend entitlements remained unclaimed for 7 consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund established by Central Government (IEPF).

    Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Information on the procedure to be followed for claiming the dividend /shares is available on the website of the company http://www.ambujacement. com/investors/transfer-of-unpaid-and-unclaimed- dividends-and-shares-to-iepf.

19. Route Map showing directions to reach to the venue of the 37th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings."

20. **Webcast:** Pursuant to Regulation 44(6) of the SEBI Listing Regulations, the Company is pleased to provide the facility of live webcast of proceedings of the 37th AGM of the Company from 10.30 a.m. onwards on Thursday, 9th April, 2020. Members can view the proceedings of AGM by logging on the evoting website of CDSL www.evotingindia.com using their secure login credentials. Members are encouraged to used this facility of webcast.

21. **Voting:-**

    All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely 2nd April, 2020 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

I. Voting Through Electronic Means

1. Pursuant to Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided e-voting facility to the members using the Central Depository Services (India) Ltd. (CDSL) platform. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting).

2. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

3. The Company has appointed Mr. Surendra Kanstiya Associates, Practicing Company Secretary, to act as the Scrutiniser to scrutinise the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

4. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the company's website www.ambujacement.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE Limited and NSE, where the shares of the Company are listed.

5. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 2nd April, 2020 may obtain the login details in the manner as mentioned below.

    The instructions for shareholders voting electronically are as under:

    (i) The voting period begins on Monday, 6th April, 2020 at 10:00 a.m. and ends on Wednesday, 8th April, 2020 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd April, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders/Member.

    (iv) Now Enter your User ID

        a) For CDSL: 16 digits beneficiary ID,

        b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

        c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (v) Next enter the Image Verification as displayed and Click on Login.

    (vi) If you are holding shares in demat form and had logged on to www.evotingindia. com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/ mm/ yyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia. com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@ cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk. evoting@ cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked

Questions ("FAQs") and e-voting manual available at www. evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. Voting Through Ballot:-

The Company is providing the facility of ballot form in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, 2015 to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form and the instruction are enclosed along with the Annual Report.

The last date for receiving the ballot form will be 2nd April, 2020 at 5.00 p.m. Ballot forms received after this date shall not be considered.

III. Voting at AGM:-

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM.

A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes by all the three modes, then the vote casted through e-voting shall prevail and the vote casted through other means shall be treated as invalid.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 6 to 9 of the accompanying Notice dated 20th February, 2020.

In respect of item No. 6

At the Annual General Meeting of the Company held on 8th April, 2015, the Members had approved of the payment of commission to the Directors of the Company (other than the Managing Director and Whole-time Director(s)) not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from 1st January, 2015.

According to Section 197 of the Companies Act, 2013 the approval of the Members is required for the payment of commission to the non-executive directors (director other than MD/WTD) upto 1% of the Net profits of the Company.

Further, as per the provisions of Regulation 17(6)(a) of the Listing Regulation (as in force for the time being), all fees/compensation payable to non-executive directors, including Independent Directors shall require approval of the shareholders at General Meeting.

Accordingly, it is proposed to seek fresh approval of the Members of the Company by way of an Ordinary Resolution as required under Section 197 of the Companies Act, 2013 and also under the Listing Regulations for payment of commission for a period of 5 years commencing from 1st January, 2020, at the rate not exceeding 1% (one percent) of the net profits of the Company for each Financial year computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board (which includes any committee thereof). The above remuneration shall be over and above the sitting fees paid to the Directors for attending the meeting of the Board and/or Committees thereof.

The Board recommends passing of enabling resolution for the payment of commission as aforesaid, for your approval.

All the Directors of the Company except the Managing Director & CEO and the Key Managerial Personnel and Mr. Martin Kriegner (who has waived his right to receive Commission and sitting fees) and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice to the extent of the remuneration that may be received by each of them.

In respect of item No. 7 & 8

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Neeraj Akhoury (DIN: 07419090) as an Additional Director of the Company under Section 161(1) of the Act and Article 122 of the Articles of Association, with effect from 21st February, 2020. In terms of Section 161(1) of the Act, Mr. Neeraj Akhoury holds office only upto the date of the forthcoming AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Akhoury's appointment as a Director.

The Board has also appointed Mr. Akhoury as the Managing Director & CEO of the Company for a period of five years from 21st February, 2020 upto 20th February, 2025, upon the terms & conditions hereinafter indicated, subject to approval of the Members.

Mr. Neeraj Akhoury, aged 52 years, is a graduate in Economics from Allahabad University and MBA from the University of Liverpool. He has also studied one-year General Management Program at XLRI Jamshedpur. He is also an alumunus of Harvard Business School. He began his career in 1993 at Tata Steel, working in sales, marketing and logistics in both cement and steel division and also as Executive Assistant to Head of Sales. He joined Lafarge India in 1999 and worked as member of the Executive Committee responsible for corporate affairs followed by sales. Mr Akhoury was also the Chief Executive Officer of LafargeHolcim Bangladesh and was also based in Paris as Director for Strategy and Business Development, HR and acquisition of raw material sources for Middle East and African region. He has also served as Managing Director of Lafarge Nigeria.

Prior to joining the Company Mr. Neeraj Akhoury was the MD and CEO of ACC Limited and a member of LafargeHolcim's global Senior Leadership Group. He is known for breadth and depth of leadership experience and has delivered results across continents. He is a strategic thinker, switching between long term vision and short-term orientation, delivering performance with accountability, courage, energy and integrity. Mr. Akhoury is also recognized in the Group for his approach of building effective and diverse teams through empowerment and motivation, acting as a role model and demonstrating strong communication skills.

Brief resume of Mr. Akhoury, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to this notice.

The principal terms and conditions of appointment of Mr. Neeraj Akhoury as the Managing Director & CEO (hereinafter referred to as the 'MD & CEO') is as follows:

1. Period of Appointment

Five years commencing from 21st February, 2020, the date of appointment.

2 Remuneration:

In consideration of the performance of his duties, the Company shall pay to Mr. Neeraj Akhoury the fixed gross remuneration (other than the PF, Superannuation and Gratuity) of ₹ 5,42,48,292/- (Rupees Five Crore Forty Two Lacs Forty Eight Thousand Two Hundred Ninety Two only) per annum with such increments as may be approved by the Board of Directors (which includes any Committee thereof) from time to time. The gross remuneration shall be categorized as follows:

(a) Basic Salary:

₹ 2,31,33,600/- (Rupees Two Crore Thirty One Lacs Thirty Three Thousand Six Hundred only) per annum, ₹19,27,800/- (Rupees Nineteen Lacs Twenty Seven Thousand Eight Hundred only) per month.

The increment as and when approved by the Board shall be merit based and will take into account the performance as MD & CEO as well as that of the Company. The first such increment will be effective from 1st April, 2021 , on the Remuneration i.e. Basic salary and Allowances as mentioned.

(b) Allowances & Perquisites:

The Company follows the Flexible Allowances Structure for all its employees that enables its employees to decide the salary components other than the basic salary within the gross remuneration of the employee concerned.

In line with the above structure, Mr. Neeraj Akhoury will be paid ₹ 3,11,14,692/- (Rupees Three Crore Eleven Lacs Fourteen Thousand Six Hundred Ninety Two only) per annum on account of other allowances like House Rent Allowance (HRA), Soft Furnishing Allowance, Leave Travel Concession (LTC), Medical Reimbursement, Special Allowance etc. as may be decided by him following the flexible allowance structure of the Company.

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

(i) Club Membership

Reimbursement of membership fee for one club in India including admission and annual membership fee.

(ii) Mediclaim and Personal Accident Insurance

Mediclaim and Personal Accident Insurance Policy for such amount as per the rules of the Company.

(iii) Contribution to Provident Fund

The Company's contribution to Provident Fund as per the applicable laws, which presently is 12% of Basic Salary.

(iv) Gratuity

Gratuity at the rate of 15 days Basic Salary earned for each completed year of service as per the rules of the Company. The service tenure of Mr Akhoury with ACC Limited (subsidiary of the Company)shall be recognized and considered in continuity with his tenure with the Company for the purpose of Gratuity as payable under the Payment of Gratuity Act 1972.

(v) Superannuation Fund

The Company's contribution to the Superannuation Fund will be 15% of basic salary with an option to encash superannuation benefit as monthly cash allowance.

(vi) Leave

Entitled for leave with full pay or encashment thereof as per the rules of the Company.

(vii) Other perquisites

Subject to overall ceiling on remuneration mentioned herein below, Mr. Neeraj Akhoury may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

Explanation:

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

(c) Performance Incentive:

Performance Incentive of such amount, not exceeding 100% of the earned Basic Salary and Allowances stated above, subject to performance conditions for each Corporate Financial year or part thereof as may be decided by the Board of Directors (which includes any Committee thereof).

In addition to the above, Mr Akhoury will continue to be entitled to additional Performance Incentive as was approved by the Board of Directors of ACC Limited (being a subsidiary of the Company), subject to his continued and consistent good performance during his tenure with the Company, which shall be payable as follows:

Payment Date	Amount (in Indian National Rupees)
Pro-rated for the period 21st February, 2020 till 31st March, 2020	16,25,000
End of September, 2020	75,00,000
End of March, 2021	75,00,000
End of September, 2021	75,00,000
End of January, 2022	75,00,000

(d) LafargeHolcim Performance Shares:

Mr. Neeraj Akhoury shall be eligible to participate in the Long Term incentive Plan of LafargeHolcim Limited (LH), pursuant to which he will be granted such number of Shares of LH (Performance Shares) from time to time as per the said incentive plan and shall continue to hold such shares as have been granted during his tenure at ACC Limited. The cost of such shares shall be borne by LafargeHolcim Ltd.

(e) Amenities:

(i) Conveyance facilities

The Company shall provide suitable vehicle to the Managing Director & CEO. All the repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

(ii) Telephone internet and other communication facilities

The Company shall provide telephone, mobile, internet and other communication facilities at the Managing Director & CEO's residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

C. Overall remuneration:

The aggregate of salary, allowances, perquisites and performance bonus in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

D. Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director & CEO, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

3. Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.

4 Continuity of Service

Mr Neeraj Akhoury's tenure with ACC Limited (being a subsidiary of the Company) shall be taken into consideration for the purposes of seniority and any other benefits that accrue out of his service tenure.

5 Accumulated Leaves

Mr Akhoury's earned leaves that have been accumulated during his tenure with ACC Limited (being a subsidiary of the Company) as of 20th February, 2020 shall stand credited as part of leave accumulation during his tenure with the Company.

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

7. Mr. Akhoury's appointment as MD & CEO of the Company is by virtue of his employment in the Company and his appointment will be subject to the provisions of Sections 167(1), 197, 198, 203 and other applicable provisions of the Companies Act, 2013, read with Rules thereunder and Schedule V to the said Act or any modifications or re-enactment for the time being in force. So long as Mr. Akhoury continues to occupy the position of MD & CEO, he will not be a Director liable to retire by rotation.

8. Powers & Responsibilities as the Managing Director and CEO

(a) As the Managing Director and CEO (MD & CEO), Mr Neeraj Akhoury will carry out such functions, exercise such powers and perform such duties as the board of directors of the company ('hereinafter called 'the Board') shall from time to time in its absolute discretion determine and entrust to him, subject, nevertheless to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.

(b) Subject to the superintendence, control and direction of the Board, MD & CEO shall (i) have the general control of the business of the Company and be vested with the Management and day to day affairs of the Company (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business and (iii) have the authority to do and perform all other acts, deeds, matters and things which in the ordinary course of such business be considered necessary or proper in the best interests of the Company.

(c) MD & CEO will, to the best of his skill and ability, endeavor to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and also such orders and directions as may from time to time be given to him by the Board.

(d) MD & CEO shall at all times act in the best interests of the Company and all its stakeholders (including its minority shareholders) and keep the Board informed of any developments or matters that have materially impaired or are reasonably likely to materially impair the interests of the Company and/or any of its stakeholders.

(e) The MD & CEO shall devote the whole of his time, attention and abilities to manage the business of the Company and shall use his best endeavour to promote its interest and welfare. He shall not engage directly or indirectly in any other business, occupation or employment, provided, however, he may with the prior approval of the Board hold Directorship in other companies and /or provide services to other group companies.

9. During the currency of this Agreement, MD & CEO shall not directly or indirectly engage himself in any other employment, business or occupation of whatsoever nature. However, he may with the prior approval of the Board of Directors, hold Directorship in other companies and/or provide services to other group companies.

10. MD & CEO will not be entitled to supplement his earnings under this Agreement with any buying or selling commission. He will give an undertaking to the Company that so long as he functions as the MD & CEO of the Company he will not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency of the Company. He will cease to be the MD & CEO immediately upon any contravention of this undertaking.

11. The terms & conditions of appointment and the payment of remuneration to MD & CEO may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard and within the overall approval given by the Shareholders.

12. (i) The appointment Agreement may be terminated either by the Company or by Mr Neeraj Akhoury by giving 6 (six) months' notice in writing at the end of a calendar month to the other party or the payment of salary in lieu thereof.

    (ii) Either party may also terminate the appointment Agreement upon notice in writing to the other party:

        (a) in the event that the other party materially breaches this Agreement and has not remedied such breach (if capable or remedy) within 14 days of having been notified of the breach or;

        (b) in accordance with applicable law.

    (iii) Both parties reserves the right to terminate the Agreement without notice for "Due Cause".

    For the purpose of the appointment Agreement, Due Cause means: an event such as grave or repeated violations of any relevant contractual obligations, guidelines or instructions; intentionally or negligently causing damage or injury to the other party; the acceptance of commissions or bribes in any form; any behavior that seriously damages LafargeHolcim, the Company or the Employee's reputation; the commission of serious offences against applicable law; or repeated failure to perform basic responsibilities despite having fair opportunity to rectify such failure to perform.

13. If at any time the MD & CEO ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the MD & CEO and his Employment Agreement with the Company shall stand terminated forthwith. Similarly, if at any time the MD & CEO ceases to be in the employment of the Company for any cause/ reason whatsoever, he shall cease to be a Director of the Company.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Neeraj Akhoury under Section 190 of the Act.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Neeraj Akhoury's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolutions at Item No. 7 and 8 of this Notice relating to his appointment as a Director and as the MD & CEO of the Company for a period of five years w.e.f. 21st February, 2020 upto 20th February, 2025 as an Ordinary Resolutions for your approval.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Except, Mr. Neeraj Akhoury, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 7and 8 of the Notice. Mr. Akhoury is not related to any other Director or KMP of the Company.

In respect of item No. 9

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M/s. P.M. Nanabhoy & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2020 at a remuneration of ₹ 10,00,000/-(Rupees Ten Lacs) per annum plus reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified subsequently by the Members, in accordance with the provisions of the Act and Rule 14 of the Rules.

Accordingly, the Board recommends the Ordinary Resolution at item no. 9 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 9 of the Notice.

By Order of the Board of Directors

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place: Mumbai
Date: 20th February, 2020

ANNEXURE TO ITEMS. 3 to 5, 7 & 8 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Jan Jenisch	Mr. Martin Kriegner	Mr. Christof Hassig	Mr Neeraj Akhoury
Date of Birth	2nd September, 1966	6th September, 1961	25th April, 1958	17th September 1968
Nationality	German	Austrian	Swiss	Indian
Date of Appointment on the Board	24th October, 2017	11th February, 2016	9th December, 2015	21st February 2020
Qualifications	MBA from University of Fribourg, Switzerland	Doctorate of Law and MBA from Austrian University	Masters in Banking, Advanced Management Program from Harvard Business school	Graduate in Economics, Management program from XLRI, General Management Program from Harvard Business school
Expertise in specific functional area	Operations and Management	Operations, Finance and General Management	M & A, Corporate Finance & Treasury	Strategy and Business Development,Sales and Marketing,logistics, CSR.
Number of shares held in the Company	Nil	Nil	Nil	Nil
List of the directorships held in other companies*	ACC Ltd.	ACC Ltd.	ACC Ltd.	ACC Ltd Bulk Cement Corporation (India) Ltd. Holcim Services (South Asia) Ltd
Number of Board Meetings attended during the year 2019	4 of 5	5 of 5	4 of 5	Not applicable
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairman : Nil Member : Nil	Chairman : Nil Member : 1. ACC Limited - Audit Committee	Chairman : Nil Member : 1. ACC Limited -Stakeholders Committee	Nil
Relationships between Directors inter-se	None	None	None	None
Remuneration details (Including Sitting Fees & Commission)	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report	Not applicable

* Directorship includes Directorship of Public Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

Route Map - AGM

1. **From Diu - Airport to Ambujanagar**

   The approximate distance from Diu Airport to Ambujanagar is 45-50 KM by road. Ample Taxis are available at the Airport. Time taken is approximately 1 hour.

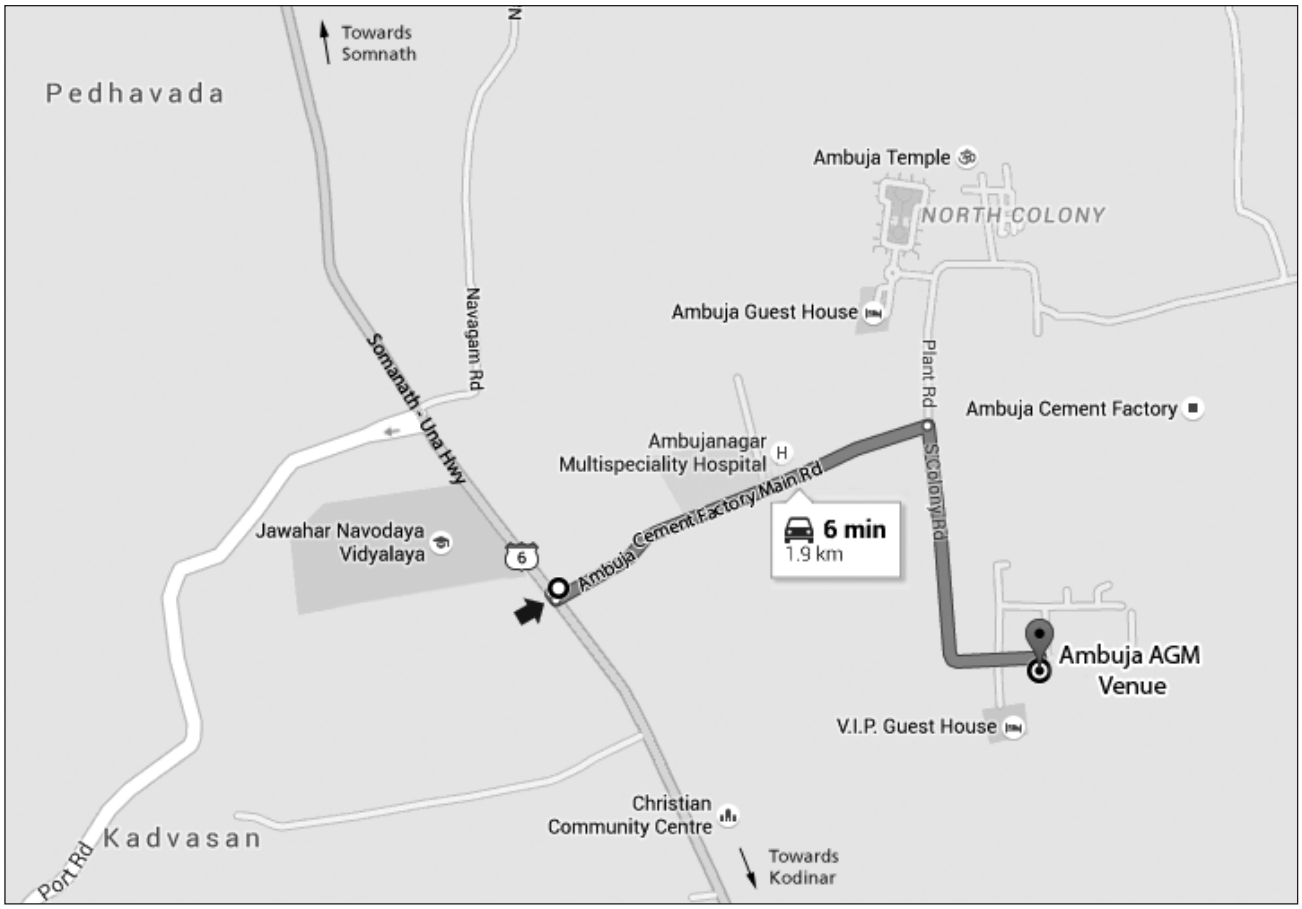
2. **Veraval Railway station to Ambujanagar**

   The approximate distance from Veraval to Ambujanagar is about 45/50 KM by road. Local Taxis are available at the Railway Station. State transport buses are also available. Time taken is approximately 1 hour.

3. **Kodinar to Ambujanagar**

   The distance from Kodinar to Ambujanagar is about 8 KM by road. Ample public transport is available from Kodinar to Ambujanagar. Time taken is approximately 15/20 Minutes.

4. **Road Map from Highway entry point - Ambujanagar to Meeting Venue**



TO,
LINK INTIME INDIA PVT. LTD.
Unit: Ambuja Cements Ltd.
C-101, 247 Park, L B S Marg,
Vikhroli (West),
Mumbai – 400 083.

UPDATION OF SHAREHOLDER INFORMATION

I/We request you to record the following information against my/our folio no.

I) General Information

Folio No.		
Name of the first named Shareholder	:	
PAN *	:	
CIN/Registration no.*	:	
(in case of Corporate Shareholders		
Tel. No. with STD Code	:	
Mobile No.	:	
Email ID	:	

* Self attested copy of the documents enclosed

II) Bank Details

IFSC (11 digit Code)	
MICR (9 digit)	
Bank A/c. type	
Bank Account No.@	
Name of the Bank	
Bank Branch Address	

@ a blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. I/We undertake to inform any subsequent changes in the above particulars as and when the changes takes place. I/We understand that the above details shall be maintained till I/we hold the securities under the above mentioned folio no.

Place :

Date : Signature of Sole/First Holder

Ambuja Cement

Ambuja Cements Limited

CIN L26942GJ1981PLC004717

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

Corporate Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059

Tel. 022-4066 7000, E mail - shares@ambujacement.com, Website: www.ambujacement.com

ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting of the Company held on Thursday, the 9th April, 2020 at 10.30 a.m.

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

Folio No. .....DP ID No ..... Client ID No.....

Name of the Member ..... Signature .....

Name of the Proxyholder ..... Signature .....

1. Only Member/Proxyholder can attend the Meeting
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting

TEAR HERE

TEAR HERE

Ambuja Cement

Ambuja Cements Limited

CIN L26942GJ1981PLC004717

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

Corporate Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059

Tel. 022-4066 7000, E mail - shares@ambujacement.com, Website: www.ambujacement.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered address : .....

..... E-mail Id : .....

Folio No. / Client ID No. : ..... DP ID No. .....

I/We, being the member(s) of ..... shares of Ambuja Cements Limited, hereby appoint

1. Name :	.....
Address :	.....
	.....
E-mail ID :	..... Signature : .....

or failing him

2. Name :	.....
Address :	.....
	.....
E-mail ID :	..... Signature : .....

or failing him

3. Name :	.....
Address :	.....
	.....
E-mail ID :	..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 9th April, 2020 at 10.30 a.m. at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. (☐)

1	
2	
3	
4	
5	
6	
7	
8	
9	

Signed this ..... day of 2020

Affix
₹ 1
Revenue
Stamp

Signature of Shareholder ..... Signature of Proxyholder.....

NOTES:

1 This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 not less than 48 hours before the commencement of the Meeting.

2 Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

AMBUJA CEMENTS LIMITED

CIN: L26942GJ1981PLC004717

Regd. Off: P.O. Ambujanagar, Taluka – Kodinar, Dist. – Gir Somnath, Gujrat - 362715

Corp. Office: Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (East), Mumbai - 400059.

Tel: 022-4066 7000 / 6616 7000 **Website**: www.ambujacement.com

BALLOT FORM

(in lieu of e-voting)

Serial No. :

1. Name and Registered Address of the sole / first named Member	
2. Names(s) of Joint Holders (if any)	
3. Registered Folio No. /DP ID No.* /Client ID No.* (*Applicable to Members holding shares in dematerialized form)	
4. Number of equity shares held	

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice dated 20th February, 2020 convening the Annual General Meeting of the Company to be held on Thursday 9th April, 2020 by conveying my/our assent/dissent to the said Resolution(s) by placing the tick mark (**√**) in the appropriate boxes below.

Item No	Particulars of Resolutions	Type of Resolution	No of Shares held	[For]	[Against]
				I/We assent to the Resolution	I/We Dissent to the Resolution
1	To consider and adopt the Annual Accounts for the year ended 31st December, 2019 & Reports of the Directors and Auditors thereon.	Ordinary			
2	To declare a dividend on Equity Shares for the Financial Year ended 31st December, 2019.	Ordinary			
3	To re-appoint Mr. Jan Jenisch as a Director, who retires by rotation.	Ordinary			
4	To re-appoint Mr. Martin Kriegner as a Director, who retires by rotation.	Ordinary			
5	To re-appoint Mr. Christof Hassig as a Director, who retires by rotation.	Ordinary			
6	Payment of Commission to Non-Executive Directors	Ordinary			
7	Appointment of Mr. Neeraj Akhoury as Director	Ordinary			
8	Appointment of Mr. Neeraj Akhoury as the Managing Director & CEO	Ordinary			
9	To ratify the payment of remuneration to the Cost Auditors, M/s. P.M. Nanabhoy & Co., Cost Accountants.	Ordinary			

Place:
Date :

_____
Signature of Member

Note: (i) Please read the instructions printed overleaf carefully before filling the form.
(ii) Valid Ballot Forms received by the scrutinizer by 5.00 p.m. on 02nd April, 2020 shall only be considered.

EVSN (Electronic Voting Sequence Number)	User ID	*Default PAN
200306006		

1. Please use your PAN for e-voting in case you have registered the same with the Company / Depository Participant.
2. In case your PAN is not registered please use (*****) Default PAN given in the table above.

Instructions

1. Member(s) may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to Mr. Surendra Kanstiya, Company Secretary in Practice, The Scrutinizer, Ambuja Cements Ltd., Secretarial Department, Elegant Business Park, Behind Kotak Mahindra Bank, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (E), Mumbai – 400 059 so as to reach by 5.00 p.m. on 02nd April,2020. Ballot Form received thereafter will strictly be treated as if not received.

2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.

3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

4. In the event member(s) casts his / her votes through both the processes, i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

5. The right of voting by Ballot Form shall not be exercised by a proxy.

6. To avoid fraudulent transactions, the identity/signature of the member(s) holding share(s) in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of member(s) holding share(s) in physical form is verified as per the records of the share transfer agent of the Company (i.e. M/s Link Intime India Pvt Ltd.). Member(s) are requested to keep the same updated.

7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint member(s).

8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholder(s). Ballot Form signed by a joint holder(s) shall be treated valid, if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holder(s).

9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.

10. Instructions for E-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company, www.ambujacement.com

****



I CAN.

Ambuja Cements Limited

Annual Report 2019

Give a man orders and he will do the task reasonably well. But let him set his own targets, give him the freedom and the authority, and his task becomes a personal mission.

I CAN.

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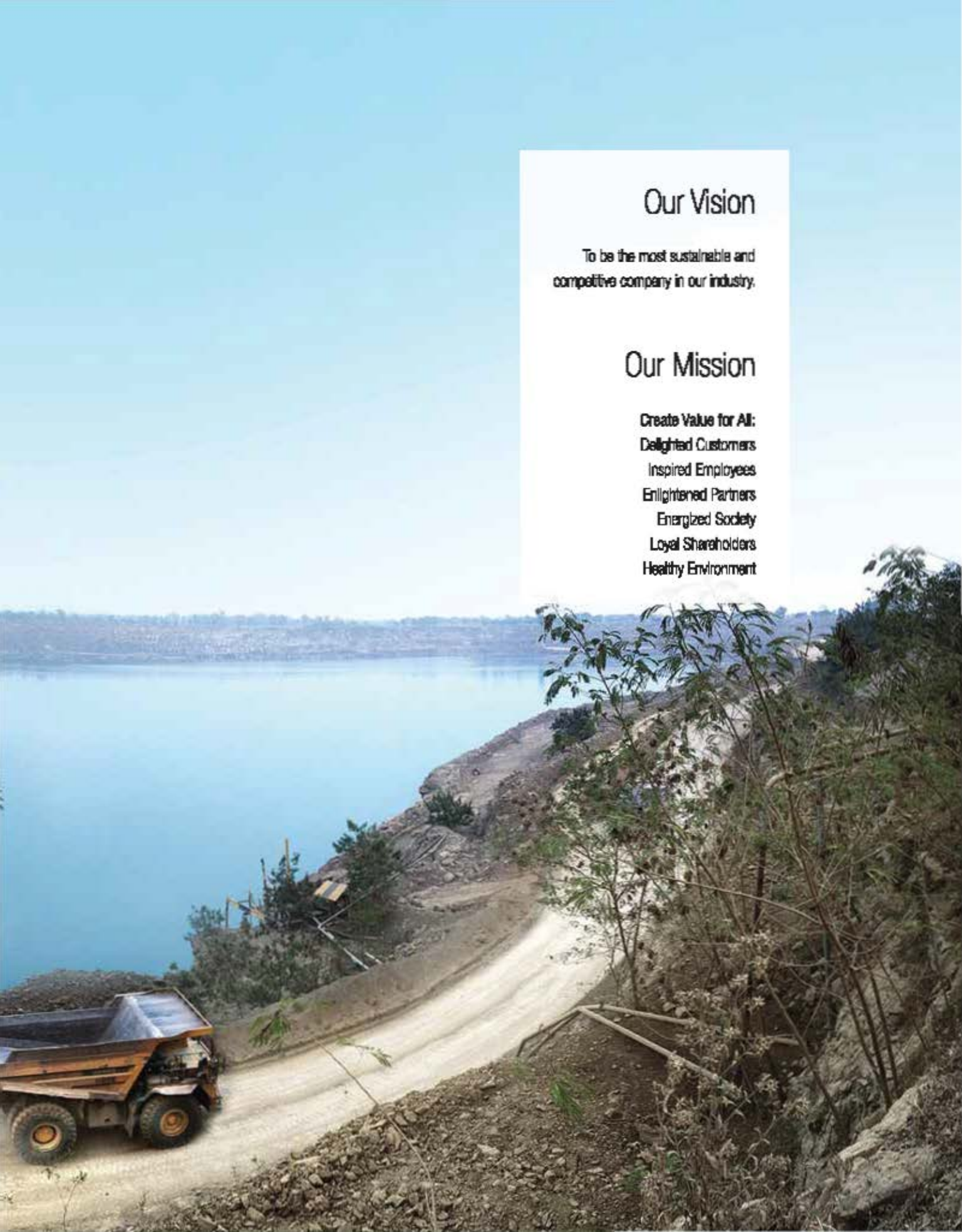
Our Vision

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

Our Mission

Create Value for All:

Delighted Customers
Inspired Employees
Enlightened Partners
Energized Society
Loyal Shareholders
Healthy Environment



Corporate Information

Board Of Directors

Mr. N. S. Sekhsaria
(Chairman and Principal Founder)

Mr. Jan Jenisch
(Vice Chairman)

Mr. Nasser Munjee

Mr. Rajendra Chitale

Mr. Shailesh Haribhakti

Dr. Omkar Goswami

Ms. Shikha Sharma

Mr. Christof Hassig

Mr. Martin Kriegner

Mr. Roland Kolher

Ms. Then Hwee Tan

Mr. Mahendra Kumar Sharma

Mr. Ranjit Shahani

Mr. Praveen Kumar Molri

Mr. Bimlendra Jha
(Managing Director & CEO)
(upto 20th February, 2020)

Mr. Neeraj Akhoury
(Managing Director & CEO)
(w.e.f. 21st February, 2020)

Chief Financial Officer

Ms. Sonal Shrivastava

Company Secretary

Mr. Rajiv Gandhi

Executive Committee

Mr. Bimlendra Jha
(Managing Director & CEO)

Ms. Sonal Shrivastava
(Chief Financial Officer)

Mr. Vilas Deshmukh
(Chief Manufacturing Officer)

Mr. Deepak Mehra
(Chief Marketing Officer)

Mr. Rajeev Mehta
(Chief Logistics Officer)

Ms. Meenakshi Narain
(Chief HR Officer)

Mr. Suresh Joshi
(Head MSA)

Committees Of Board
Audit Committee

Mr. Rajendra Chitale
(Chairman)

Mr. Nasser Munjee

Ms. Shikha Sharma

Mr. Martin Kriegner

Mr. Bimlendra Jha
(Permanent Invitee)

Nomination and Remuneration Committee

Mr. Nasser Munjee
(Chairman)

Mr. N. S. Sekhsaria

Mr. Martin Kriegner

Mr. Shailesh Haribhakti

Mr. Bimlendra Jha
(Permanent Invitee)

Stakeholders' Relationship Committee

Mr. Ranjit Shahani
(Chairman)

Mr. Rajendra Chitale

Dr. Omkar Goswami

Mr. Bimlendra Jha

CSR & Sustainability Committee

Mr. N. S. Sekhsaria
(Chairman)

Mr. Nasser Munjee

Mr. Rajendra Chitale

Mr. Mahendra Kumar Sharma

Mr. Martin Kriegner

Mr. Bimlendra Jha

Ms. Pearl Tiwari
(Permanent Invitee)

Risk Management Committee

Mr. Rajendra Chitale
(Chairman)

Mr. Nasser Munjee

Mr. Shailesh Haribhakti

Mr. Roland Kohler

Mr. Bimlendra Jha

Compliance Committee

Mr. Nasser Munjee
(Chairman)

Dr. Omkar Goswami

Mr. Shailesh Haribhakti

Ms. Then Hwee Tan

Mr. Bimlendra Jha

Auditors

M/s. Deloitte Haskins & Sells LLP
(Statutory Auditors)

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

M/s. Rathi & Associates
(Secretarial Auditors)

Corporate Office

Elegant Business Park

MIDC Cross Road "B",

Off Andheri – Kurla Road,

Andheri (E), Mumbai - 400059, India.

Telephone: (022) 40667000

Registered Office

P. O. Ambujanagar, Tal. Kodinar,

Dist. Gir Somnath, Gujarat - 362715, India.

Corporate Website

www.ambujacement.com

CIN: L26942GJ1981PLC004717

Email: shares@ambujacement.com

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.

C-101, 247 Park, L. B. S. Marg,

Vikhroli (West), Mumbai - 400083, India.

Telephone: (022) 49186000

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Chairman's Letter

Dear Shareholders,

It gives me immense pleasure to re-connect with you and present a summary of the Company's performance during the year 2019, along with the broader outlook. The Indian economy has witnessed an average GDP growth rate of 6% over the last decade and has maintained its position as one of the fastest growing economies in the world. Sustained business reforms and favorable policies have helped India move 14 places upwards to 63rd position in the 2019 Global "Ease of Doing Business" Rankings.

Year 2019, however, witnessed a challenging environment resulting in a muted GDP growth rate of ~5% owing to global headwinds and domestic volatility in the capital markets partially due to the domino effect of the NBFC crisis. In order to safeguard the economy from the resulting aftershocks, the year witnessed necessary reforms, regulations and preventive measures emplaced by the regulatory bodies. We firmly believe that with the backing of a robust regulatory framework and constituent mechanisms, the Indian economy will regain its prior growth momentum.

Cement demand growth in 2019 remained subdued at 2-3% amid low infrastructure spend and muted private sector participation in the construction space including housing.

Despite the fundamental economic challenges witnessed across sectors, the Company's workforce successfully demonstrated its 'I CAN' spirit and worked together as a team to contribute towards significant improvements in the operational and financial performance.

The key highlights of the year include the formulation of 'Strategy 2022' and introduction of innovative products and solutions in new and existing markets, thereby consolidating the Company's image as a leading brand with comprehensive offerings for its customer base. This has helped us strengthen our relationships with customers and forge lasting partnerships.

On the performance front, as compared to the previous year:

- Cement sales volume decreased by 0.9% to 23.96 million tonnes
- Absolute EBITDA increased by 13.6% to ₹ 2,149 Crores
- Net Profit after tax increased by 2.8% to ₹ 1,529 Crores

Implementation of our Greenfield Marwar-Mundwa project is on track and production is expected to commence towards the end of 2020. Post this, our total installed cement capacity will be well over 32 million tonnes.

With the intent of incorporating sustainable practices in the manufacturing set-up and enhancing overall efficiency and to combat the rising input costs including those of raw materials and fuel, the Company devised and adopted innovative methods like fuel mix optimization and strategic sourcing. Effective implementation of internal measures partially neutralized the negative impact of increased costs.

Supplementing our product-based offerings with our application-based offerings has helped us strengthen our existing relationships with our customer base by way of widening our product portfolio.

Use of latest technology and data analytics to support our Health & Safety initiatives, has yielded positive results. Successful adherence to the 'Zero Harm' framework and principles has enhanced efficiency and output at the plant level.

We are an environment-conscious Company with a detailed Sustainable Development Plan, which has identified and defined four focus areas for our businesses. Our sustained efforts towards reducing our carbon footprint via Green Procurement and similar initiatives have helped us make positive strides towards our intent of conducting business in a sustainable manner bearing in mind the interests of all stakeholders.

The sustainability initiatives of the Company are aligned to LafargeHolcim's sustainability plan 2030. Our consistent track record on water preservation and harvesting fronts has helped us become 8 times water positive as per the 2019 water assurance data. This consolidates our position as the leading water positive company in the sector. As part of our nature conservation and protection measures, we are launching and implementing bio-diversity action initiatives and plans across our integrated sites.

In 2019, the Company's ranking on the global Dow Jones Sustainability Index (DJSI) further improved to 4th position (5th in 2018) in the list of sustainable companies under the Construction Material (COM) category.

On the CSR front, our efforts through Ambuja Cement Foundation (ACF) for over 25 years in promoting water resource management and enhancing livelihoods, have improved the overall quality of life of the communities. Higher income for the farmers and sustained engagement with women across programs, have paved way for greater economic contribution to the society. Alignment with national agenda of skills has presented numerous opportunities to the thousands of rural youth trained across 32 ACF skill development and training centers.

The outlook for the cement sector in the year 2020 is positive. This optimism is backed by the fiscal sops in the affordable housing segment, higher expenditure on transportation infrastructure and the national infrastructure pipeline of ₹103 lakh crore through 2025, which includes investments in core and allied infrastructure sectors. Additionally, proposals for both rural and agricultural sectors in Union Budget 2020-21, are expected to boost rural income and subsequently result in heightened demand for rural housing, thereby benefitting cement suppliers.

We remain cautiously optimistic about the positive impact of the sectoral developments and continue to work with our partners and end customers in continually enhancing the quality of our products and services with the help of their valuable inputs.

All my fellow Board members, join me in extending our appreciation to every stakeholder, which has supported us in this remarkable journey; our employees, customers, partners and Central and State Governments, and thank you all with a sense of gratitude, for your sustained belief in the Company. We remain committed towards generating steady returns for our shareholders and other stakeholders.

With warm regards,

N. S. Sekhsaria

N. S. Sekhsaria

Chairman and Principal Founder
20th February, 2020

Financial Highlights - Standalone Financials

Particulars	2019	2018	2017	2016	2015
INCOME STATEMENT					
Net Sales	11,353	10,977	10,250	9,117	9,368
Operating EBITDA	2,149	1,891	1,940	1,692	1,531
Profit Before Tax & Exceptional Item	1,948	1,636	1,619	1,279	1,172
Profit After Tax	1,529	1,487	1,250	932	808
BALANCE SHEET					
Net Worth	22,205	21,013	19,973	19,356	10,307
Borrowings	41	40	24	16	23
Capital Employed	22,543	21,471	20,499	19,920	10,946
Fixed Assets - Net Block	5,634	5,563	5,693	5,923	6,092
Current Assets	6,848	5,740	5,510	4,214	6,549
Current Liabilities	4,447	3,715	4,127	3,431	3,226
CASH FLOW STATEMENT					
Net Cash Generated from Operations	2,484	572	1,836	1,416	1,553
Cash & Cash Equivalents	4,512	3,150	3,311	2,396	5,032
SIGNIFICANT RATIOS					
Operating EBITDA / Net Sales	19%	17%	19%	19%	16%
Return on Capital Employed (EBIT / Average Capital Employed)	9%	8%	8%	8%	12%
Price Earning Ratio (3)	25.49	29.96	43.10	43.93	39.02
Book Value Per Share - (₹)	111.92	105.92	100.65	97.52	66.49
Basic Earning Per Share - (₹)	7.70	7.49	6.29	4.69	5.21
Dividend Per Share - (₹)	1.50	1.50	3.60	2.80	2.80
Dividend Pay-out Ratio	20%	31%	65%	76%	65%
Current Ratio	1.54	1.55	1.34	1.23	2.03
OPERATIONS					
Cement Capacity - Million Tonnes	29.65	29.65	29.65	29.65	29.65
Cement Production - Million Tonnes	23.93	24.34	22.98	21.19	21.54
Cement Sales - Million Tonnes	23.96	24.18	22.95	21.12	21.53

Notes:

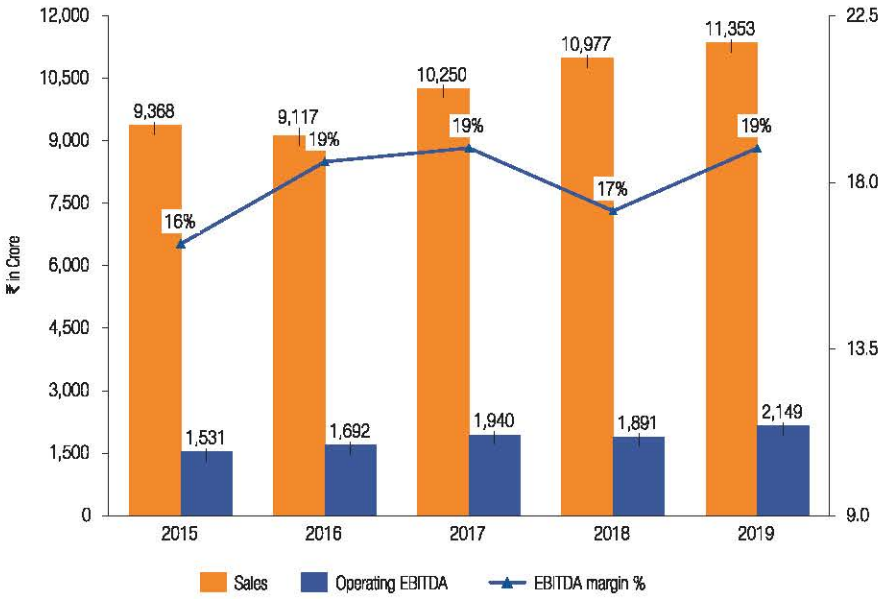
(1) Figures are as per Ind AS and Schedule III to the Companies Act, 2013.

(2) Figures are as per previous GAAP and revised schedule VI to the Companies Act, 2013.

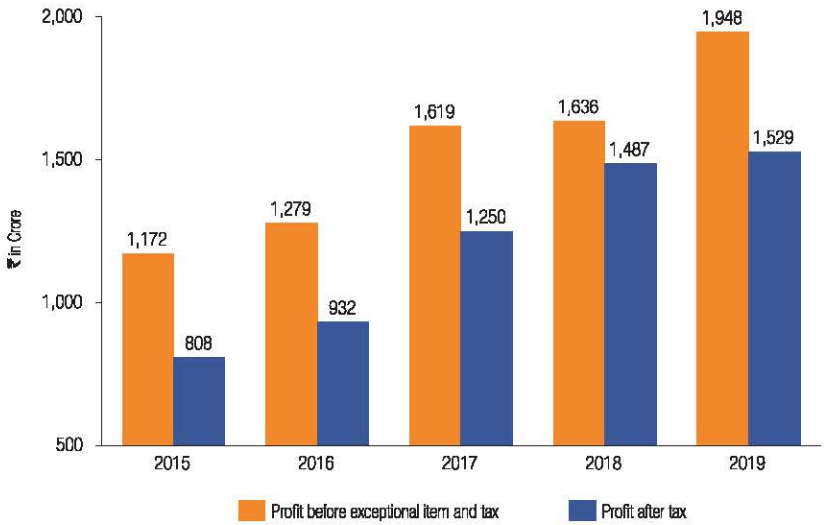
(3) Based on price taken from Bombay Stock Exchange as on last trading day of the year.

Performance Highlights

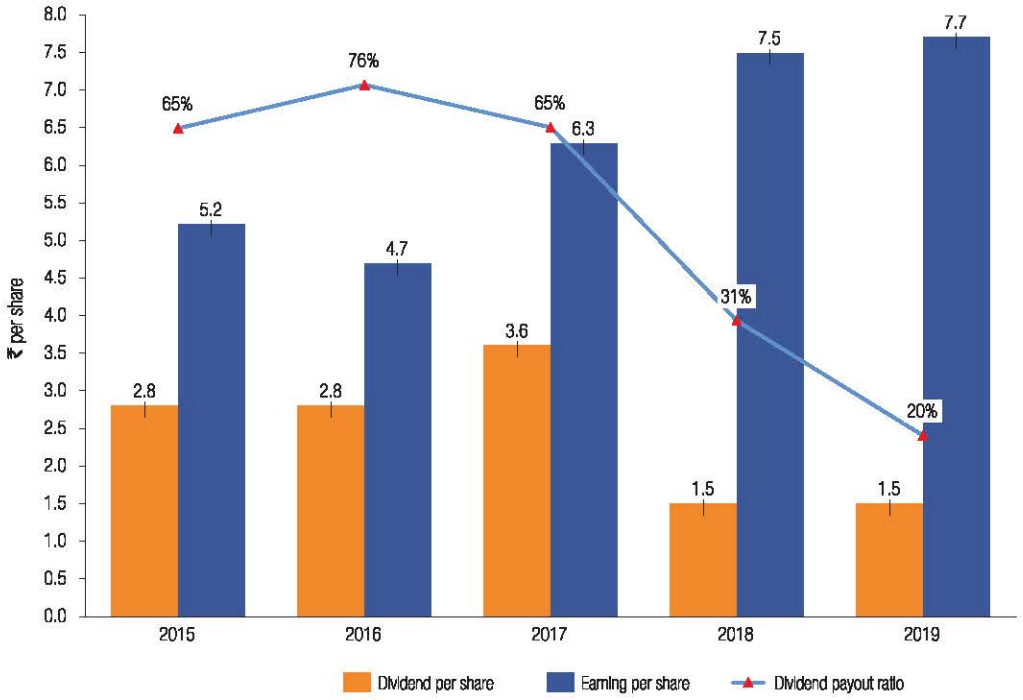
Sales, Operating EBITDA and EBITDA Margin %



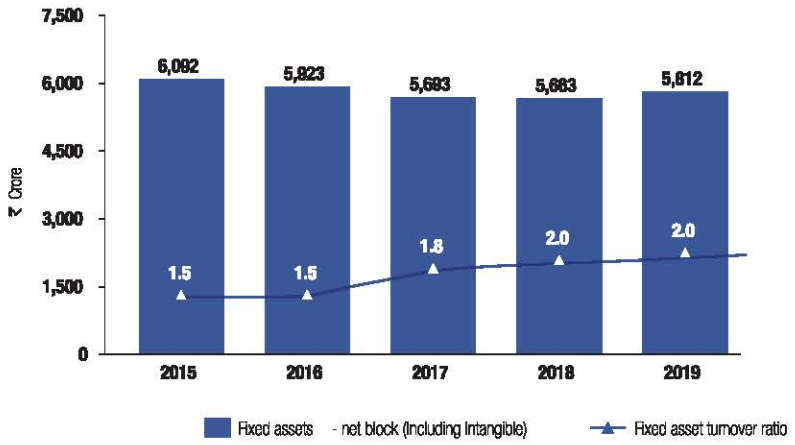
Profit Before Exceptional Item & Tax and Profit After Tax



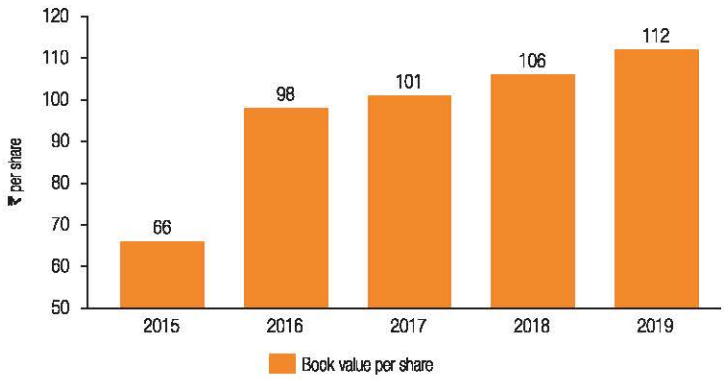
Dividend Per Share, Earning Per Share And Dividend Payout Ratio



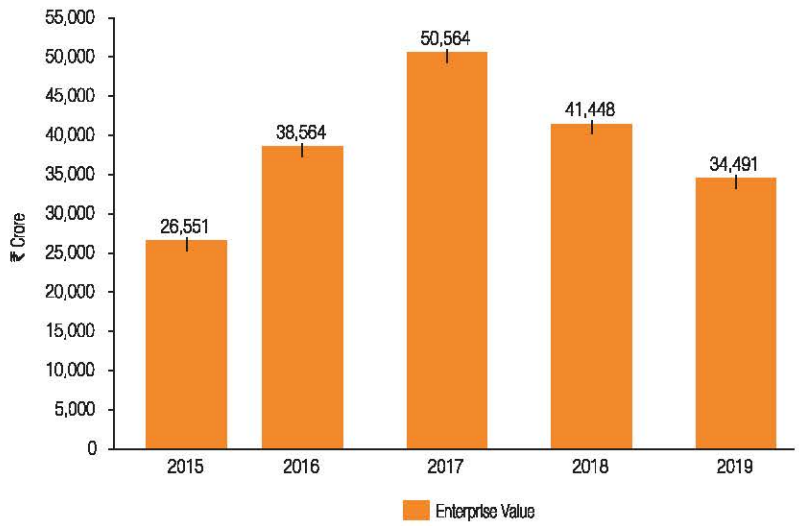
Net Fixed Assets And Assets Turnover Ratio



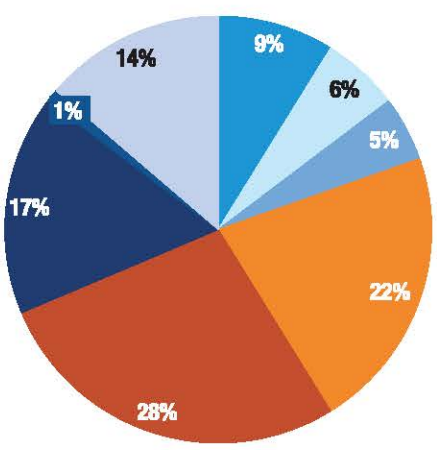
Book Value Per Share - ₹



Enterprise Value

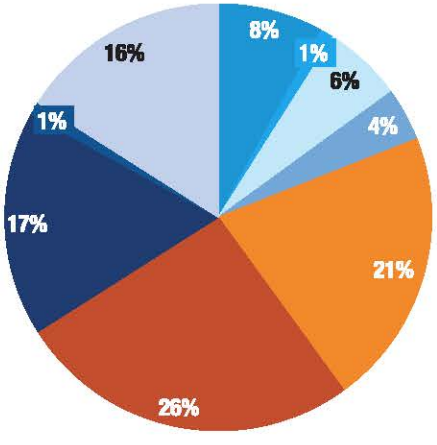


Cost And Profit as Percentage Of Total Income - 2018



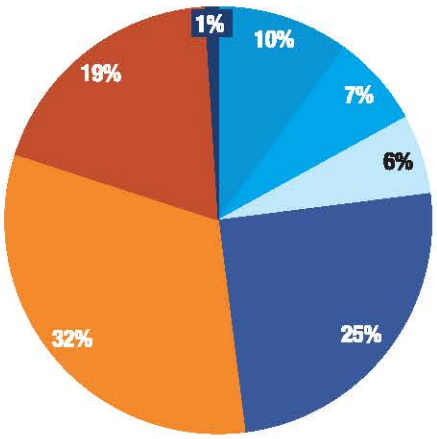
- Cost of materials consumed ₹1,013 crore - 9%
- Purchases of traded goods ₹6 crore
- Employee benefits expense ₹680 crore - 6%
- Depreciation and amortisation expense ₹548 crore - 5%
- Power and fuel ₹2,546 crore - 22%
- Freight and forwarding expenses ₹3,278 crore - 28%
- Other expenses ₹1,943 crore - 17%
- Finance cost ₹82 crore - 1%
- Profit before tax and exceptional item ₹1,636 crore - 14%

Cost And Profit as Percentage Of Total Income - 2019



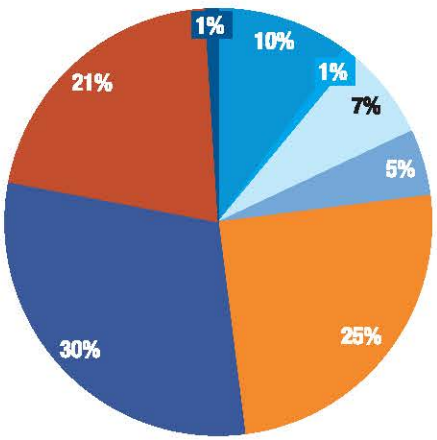
- Cost of materials consumed ₹994 crore - 8%
- Purchases of traded goods ₹88 crore - 1%
- Employee benefits expense ₹673 crore - 6%
- Depreciation and amortisation expense ₹544 crore - 4%
- Power and fuel ₹2,586 crore - 21%
- Freight and forwarding expenses ₹3,094 crore - 26%
- Other expenses ₹2,083 crore - 17%
- Finance cost ₹84 crore - 1%
- Profit before tax and exceptional item ₹1,948 crore - 16%

Cost Break Up as a Percentage of Total Cost - 2018



- Cost of materials consumed ₹1,013 crore - 10%
- Employee benefits expense ₹680 crore - 7%
- Depreciation and amortisation expense ₹548 crore - 6%
- Power and fuel ₹2,546 crore - 25%
- Freight and forwarding expenses ₹3,278 crore - 32%
- Other expenses ₹1,943 crore - 19%
- Finance cost ₹82 crore - 1%

Cost Break Up as a Percentage of Total Cost - 2019



- Cost of materials consumed ₹994 crore - 10%
- Purchases of traded goods ₹88 crore - 1%
- Employee benefits expense ₹673 crore - 7%
- Depreciation and amortisation expense ₹544 crore - 5%
- Power and fuel ₹2,586 crore - 25%
- Freight and forwarding expenses ₹3,094 crore - 30%
- Other expenses ₹2,083 crore - 21%
- Finance cost ₹84 crore - 1%

The plant that grew smiles

As you enter the lanes of Mundwa, a remote town of Rajasthan, all you see is a flurry of construction activities, and rays of optimism. Trucks, loaders and hundreds of engineers are working in tandem to build a state-of-the-art cement plant in the town. Soon, the neighborhood will be dotted with grocery shops, banks, ATMs, and other utility stores, thus, generating employment opportunities and transform lives.

Much before the construction work started, Ambuja Cement Foundation (ACF) had begun to lay the groundwork for this change through its social responsibilities in and around these areas. The Skill Development Institute (SEDI), set up by ACF at Nagaur in 2012, has facilitated numerous stories of progress and helped ACF to promote self-sufficiency and skill development, which have enabled positive results over the years. Since its inception, ACF has touched the lives of 65,700 people in 72 villages of Nagaur district with its various schemes and programs fostering in them the true spirit of I CAN.

But the most joyous part of this journey is that Ambuja Cements Limited's (ACL) cement plant begins operations in a few months down the line.

The winds of change have already started blowing over the arid landscapes of Marwar-Mundwa. After all, a flicker of hope that had sparked 3 years ago has dawned into a sunshine of happiness. And this is just the nurturing of the plant of progress.





Adding strength to new India's mobility

The pleasant voice at the approach of a station as against the cacophony of traffic snarls is such a refreshing experience. The air-conditioned travel further enhances the comfort level. Convenience in its truest form.

Every day, millions of souls, zig-zag the length and breadth of a city in the pursuit to earn a livelihood without respite or reward. Traveling to work place and back home drains out energy, and more importantly, soaks up precious time.

An estimated 60% of the nation's population is expected to move to urban areas by the year 2050. In the ever-changing scenario, and in the days of massive urbanization, Metro rail comes as a unique solution.

With a legacy of 35 years, Ambuja has taken a leap in the exercise of nation building by becoming a proud, and an able partner in this new generation rapid transit system project. Be it India's first underwater Howrah-Kolkata rail tunnel in the east, integrated Mumbai Metro in the west, advanced Kochi Metro in the south, to the largest and busiest Delhi Metro in the north; team Ambuja has not only provided superior quality cement but also adequately supported the construction agencies by collaboratively sharing knowledge platform and technical know-how. In addition, the unique high-performance concrete solution added a renewed strength to build a robust and the safest infrastructure in the country.

With such rapid development of new India's mobility, the day is not far, when people will reach their doorsteps, and will be closer to their loved ones: faster.



Guddi's dream to raid on destiny

Guddi kicked furiously; clipping one's shoulder, and stamping the other's thigh. She flung her hands as far as she could. Pushed and shoved with all her might that she was fast losing. She was breathless. But she continued to mumble under her breath. After all, she was playing for a brighter tomorrow – for her, for the numerous girls like her, and for the women of her village, who had watched their own dreams blow away in the dry winds.

All of 14, Guddi Mundel is one of those aspiring applicants, who yearn to break the societal shackles and fulfil their dream of playing for Indian Kabaddi Team one day. A friendly game of kabaddi was held on 2nd August, 2019 at the inauguration of AKKA (Ambuja Kanya Kabaddi Academy), a part of Ambuja Cement Foundation, in the district of Nagaur, Rajasthan. 122 applications received till the day of inauguration was overwhelming, and a positive sign that it was indeed a step in the right direction.

AKKA is established to promote SUPER – 30 KANYA, a program where a total of 30 girls will be selected from Marwar-Mundwa and nearby villages, and groomed to become competent to play at the highest level and represent Rajasthan.

And that was Guddi's leap. A leap that not only ensured she won the game for her team that day, but also won freedom for the girls from Nagaur. Next, she aspires to wear the proud tricolour, representing India. That day, Guddi Mundel would make a successful, and a consequential, raid on destiny.









Integrated Reporting



Winning hearts the world over. One at a time.

- Ambuja Cements features amongst the top 4 companies in Global DJSI Ranking-2019

  Amongst our major achievements, we are proud to be ranked #4 among the world's most sustainable companies at the Dow Jones Sustainability Index (DJSI) global ranking for 2019 in the Construction Material (COM) category. It is yet another significant achievement, as Ambuja Cements is the first and only cement company in India to have made it to the top five

- Our CSR arm Ambuja Cement Foundation received the award for its focus on drinking water, water harvesting and water use efficiency interventions in the Gir Somnath district of Gujarat and Pali & Nagaur district of Rajasthan

- Ambuja Cements topped India's list in the Forbes Asia's Best Over a Billion List in the sector

- We are ranked 6th in "Responsible Business Ranking 2019" report

- Ambuja Cements won "Warehouse and Logistics Excellence – Manufacturing Company of the Year 2019" award

- We received the award for "Best in Class Logistics Safety" at the 13th Express Logistics and Supply Chain Conclave

- Our integrated digital platform Ambuja Brahmaand won two prestigious awards, "Best Customer Relationship Platform" and "Best Marketing Technology Stack" at the MarTech Leadership Awards 2019

- Our Nalagarh plant won the coveted CII National Award 2019 as "Energy Efficient Unit"

- Our MCW Chandrapur plant won the Vasundhara Award 2019 from Maharashtra Government for "Embedding Best Environmental Practices"

Capitalizing on performance through integrated thinking.

Continuing our journey of Integrated Reporting (IR) as part of our Annual Report since 2017, in line with the requirements of the Securities and Exchange Board of India (SEBI) circular dated February 2017, we intend to communicate to our stakeholders how integrated thinking influences critical business decisions and value creation for our stakeholders by discussing the performance of the Six Capitals of Integrated Reporting, i.e. Financial, Manufactured, Intellectual, Social & Relationship, Human and Natural for the reporting year 2019.

We understand our accountability to our stakeholders and that they also drive our quest for sustainable growth, hence, we ensure that our stakeholders are always informed and updated with the progress and status of the Company's processes, systems and goals in the most relevant qualitative and quantitative manner. It is noteworthy that aspects like environmental protection, engagement with local communities, supply chain sustainability, employee empowerment and ethical dealings, also play a tangible part in our decision-making.

Start with a step to leap forward

Effective planning is the key to future-proofing. Our business strategies are formulated with an aim to create short, medium and long term actions to achieve organizational goals across functions. Our strategy is centered on:

- Engaging our resources for best returns
- Analyzing risks and opportunities and creating options for value creating growth
- Driving a change towards customer and end-user oriented business views

'True Value' is measured by the conscience

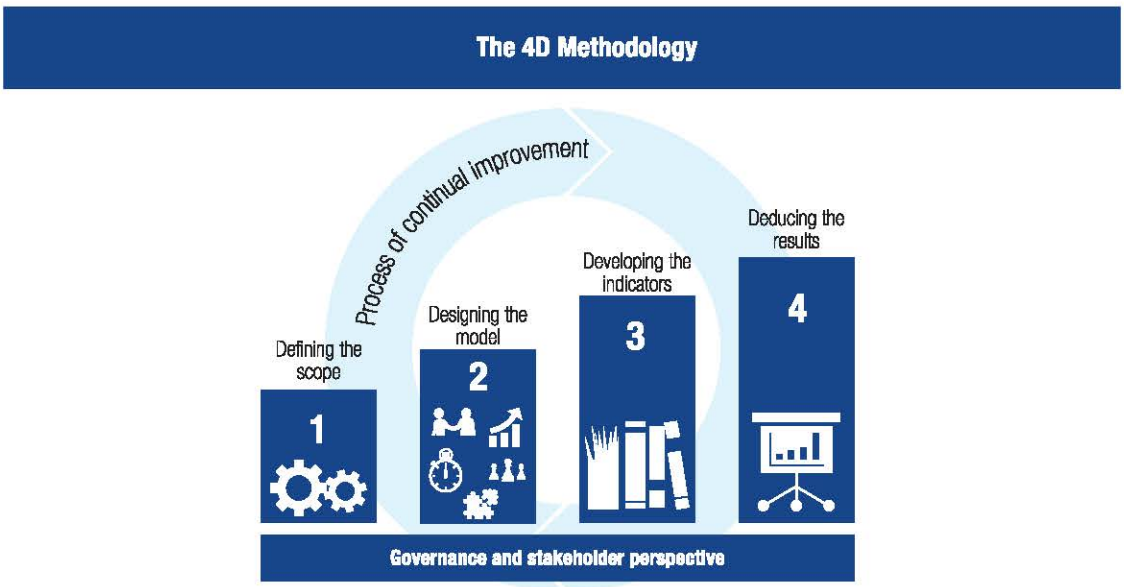
Ambuja became one of the few companies in the world to go for quantification of its overall value creation performance including environmental and social, by conducting annual 'True Value' study in the year 2012. The study helps in establishing clear understanding of the business case for sustainable development. Our focus and aspiration has always been impacting the environment and society in a positive way by adopting value creating know-hows throughout our business value chain that enhances our 'True Value' [Social & Environment Profit and Loss Assessment- to value our externalities] year-on-year. This valuation provides an efficient quantification to non-financial parameters and externalities, supporting in developing effective mechanism to monitor and improve our social, environmental and economic performance by internalizing externalities and influencing our business strategy and to make informed decisions.

While narrating our value creation for stakeholders, we have taken into consideration the resources and relationships used and affected by our operations, which are collectively referred to as the Six Capitals of Integrated Reporting. We have discussed the management approach implemented for each Capital, role of each Capital as inputs and outcomes, value chain activities relevant to these Capitals and stakeholders impacted.

Securing a healthy future begins now

With sustainability in our business vision, i.e. "to be the most sustainable and competitive company in our industry", it is not only a core value, but also closely aligned with our triple bottom line. Our Sustainable Development (SD) 2020/2030 Plan comprises four major thrust areas, "Climate & Energy, Circular Economy, Environment and Community", categorizing several sub-divided SMART targets. This plan is not only to ensure our commitment towards corporate sustainable development but also aligns us with our group's philosophy on sustainable development. It is of great value that this plan is also inspired by the Sustainable Development Goals (SDGs) developed by the United Nations.

Our approach is very simple, "create value to maximize financial and non-financial returns to our stakeholders", and to help in this approach, we undertook strategic commitments by developing systems and processes that incorporate an integrated thinking. In this chapter, we look forward to share the results from the actions derived from our integrated thinking and activities thereof that help created value over and above our traditional triple bottom line approach. In line with the same, we have developed a 4D methodology to streamline our efforts towards scaling up integrated thinking in years to come.



The 4D methodology functions as the framework of our integrated thinking agenda thereby catalyzing our value creation strategy. It includes the identification of both positive and negative externalities, development of protocols, identification of material issues, development and prioritization of our KPIs against the IR Capitals and the measurement of performance against the KPIs to highlight the milestones against targets. Through continual and reliable information in concordance with the methodology, we aim to progressively meet our committed efforts in making Ambuja Cements the industry benchmark in creating value for its stakeholders, both internal and external, in the years to come.


Our Key Stakeholders
Dealers & Suppliers
Industry Associations
Customers
Government & Regulatory Authorities
Construction Professionals
Employees
Shareholders & Investors
Media
Community & NGOs

Transparency in governance from the top.

We operate on a three-tiered governance model consisting of the Board of Directors (BoD), Committee of Directors and Executive Management, that is detailed in the chapter "Report on Corporate Governance" of this report. We have a board level CSR and Sustainability Committee, which comprises wholly of Board Members and a permanent invitee. This Committee conducts quarterly meetings, evaluates the progress on social programs and sustainability outreach efforts of the firm along with discussions on sustainability issues, strategies and progress on development goals that are presented to the Committee by the management level Corporate Sustainability Steering Committee (CSSC).

Seek opportunities while addressing risks

Following adequate caution and curiosity towards risk and opportunity identification, our strategy is to focus on issues which are most relevant to our business and the areas where these issues impact the most. This assessment helps in identifying the low hanging fruits and guides in developing long term goal planning. The assessment is based on an exhaustive internal and external stakeholder interaction that helps us assess our overall risk exposure and supports the strategic decision-making process. Our steps toward implementing risk-mitigation action plans include assessment of risks/opportunities in terms of importance to our stakeholders and to the Company. These risks/opportunities are then prioritized and action plans formulated in the form of projects. We have also identified specific risks and opportunities in alignment with our Vision and Mission on people, operations and sustainability.

- People – We continue to strengthen and energize 'We Care' through 'More Boots On Ground', which focuses on organization, people engagement and specific deliverables
- Operations – Since our operations are highly dependent on natural resources and energy, we need to ensure supply security at optimum cost and quality
- Sustainability – Our constant endeavor to explore opportunities for sustainability and prosperity in a business environment that is evolving dynamically to live our guiding philosophy of 'I CAN'

The Company has always been adaptive to various national and international guidelines (mandatory and voluntary) to assess our sustainability performance and identify risks and opportunities arising from the sustainability challenges

We have a comprehensive Business Risk Management (BRM) Policy that defines two types of risks: corporate risks, covering the macro environment, legal matters and regulations, financial considerations, business support, planning and image; and business segment risks, which focus on cement industry-specific areas such as the market, projects, CSR, HR, sustainable environment performance, Better Cost Management (BCM), Product Management and Innovation (PMI), etc. The Board of the Company is responsible for framing, implementing and monitoring the risk management plan. The Risk Management Committee of the Board lays down the procedures to inform the Board about identification, assessment, monitoring and

mitigation of various risks faced by the business. Risk management forms an integral part of the Company's Mid-Term Planning (MTP) cycle. The charter and responsibilities of the committee at the Board level are clearly described in this Annual Report.

The BRM process identifies risks and opportunities at the corporate as well as operational levels, considering social, economic and environmental risks to help improve awareness and management of the Company's risk exposure. Our Risk Assessment and Management Policy supports a sustainable business model for increased profitability by integrating risk mitigation into business strategies. Management is provided with relevant data to identify emerging issues. It allows us to consider emerging risk areas and look for opportunities presented by risks that are not always quantified by other analytical and systems-driven approaches. Emerging sustainability issues in our industry include climate change, social inclusion, depletion of non-renewable resources, brand damage (including boycotts), shareholder actions related to sustainability issues and disclosure of historic environmental liabilities. Our holistic approach helped us in sound management of financial, non-financial, and sustainability-related risks associated with our operations. We address many aspects of sustainability, improving business efficiency and ultimately boosting profits. Efficient productivity implies reducing material requirements and energy for production, lowering emissions, improving recyclability, improving the durability and reliability of products, and maximizing the use of renewable resources.

The Board reviews the performance updates of the Company, business strategies, internal controls, health and safety, sustainable development, risks involved and the mitigation plans regularly. Quarterly updates are provided to the Board on performance against non-financial KPIs and major sustainability initiatives / achievements.

We are confident that our steps on incorporating integrated operating model throughout Ambuja Cements will lead to a big leap towards effective and integrated sustainable development structure of our business that also impacts the environment and the community in the desired, positive way. To ensure this, the variable compensation of the MD & CEO has been linked not only to KRAs pertaining to internal financial success metrics (such as cash flows, EBIT, revenues, etc.) but also consider external financial success metrics (such as perception metrics, environmental metrics, social figures, etc.). While 85% of the MD & CEO's variable compensation is determined by the financial performance of the company, 15% depends on the non-financial performance including health and safety. The Independent Directors undergo a familiarization program on the cement industry scenario, the socio-economic environment in which we operate, our business model and our operational and financial performance. In addition, they are also apprised on non-financial aspects that are relevant to the company.

Financial Capital

Profit is earned. Trust is gained.

To guarantee financial flexibility and assure business sustainability in the long-term, we accord high focus on the cost and capital discipline, and we believe that these building blocks are majorly responsible for the business sustainability and trust factor between our stakeholders and us. We focus on sustainable investments, one that targets not only returns but also value creation across all Six Capitals. Constant focus and consistent efforts are made towards cost competitiveness and cost optimization, reforming the supply chain and boosting the productivity of our plants. We conducted a Climate- Change related Risk Assessment in 2018 as per Task Force on Climate-Related Financial Disclosures (TCFD) guidelines to evaluate the impacts of Climate-Change related risks on EBITDA in monetary terms; at the same time, we also monetized the cost savings promised by the necessary mitigation measures.



Financial Capital

Key Inputs

- Total Assets: INR 29,091 Crore
- Net Working Capital: INR 2,370 Crore
- Total Borrowings: INR 41 Crore
- Total Equity: INR 22,205 Crore
- Finance Costs: INR 84 Crore
- Retained Earnings: INR 1,167 Crore
- Tax paid as per cash flow: INR 61 Crore

Value Chain Activities

- Mining Lease
- Land Acquisition
- Procurement
- Research & Development

Stakeholders

Key Outcomes

- Revenue from Operations: INR 11,668 Crore
- Increase in Sales: 2.7%
- Operating EBITDA: INR 2,148 Crore
- EBITDA Margin: 18.9%
- Operating Cash Flow: INR 2,484 Crore
- Market Capitalization at the end of 2018: INR 38,675 Crore

Manufactured Capital

Manufacturers of tomorrow. Today.

We ensure value creation in manufacturing capital through consolidation and expansion of existing capacities as well as optimal utilization of our existing installed capacities. Business process management and process excellence initiatives allow us to improvise our operational model, ensure optimal utilization of assets, infrastructure and equipment, and continue to nurture and grow our assets. We have been very conscious about reducing environmental footprint of our facilities and enabling compliance with new regulatory requirements. Chapter on "Expansion of projects and new investments" in this report details the various investments made in order to expand, consolidate and optimize our facilities.



Manufactured Capital

Key Inputs

- Total of 15 plants
  - ✓ 9 Integrated Plants
  - ✓ 6 Grinding Plants
- 6 Shipping Terminals
- Production Capacity: 28.00 MTPA
- Capex during the year: INR1,187.4 Crore
- 16 sales hubs across India with 7,246 Ha area
- 2 limestone screening plants in operation, 3 plants in operation and 3 plants proposed

Value Chain Activities

- Mining Plan
- Land Acquisition
- Resource Extraction
- Preparing Raw Feed
- Grinding Raw Meal
- Pre-heating Calcination
- Clinkerization
- Fuel Preparation and Homogenization
- Blending
- Cement Grinding
- Packing and Dispatch

Stakeholders Impacted

Key Outcomes

- Total Cement Production: 23.03 million tonnes
- Clinker Factor: 84.91%
- Thermal Substitution Rate: 6.28%
- Screening Plants have led to conversion of low grade limestone to cement grade thus conserving natural resources and increasing life of a mine
- Our plants are ISO 9001, OHSAS 18001, ISO 14001 Certified, ISO 50001 Certified
- Specific Thermal Energy Consumption: 3,221 kJ/kT Clinker

Intellectual Capital

Unique challenges demand unconventional solutions.

There is a huge pressure on natural resources and growing demand for the materials for industrial and domestic consumption due to ever-increasing population. Thus, in order to serve this growing population sustainably, we adopt new technologies, sustainable products and solutions. Ambuja has always strived for enhancing the quality of products and services through technological application and innovation. Our Ambuja Knowledge Centers and other knowledge initiatives are the catalytic factors for creating maximum value for our customers through a diverse portfolio of sustainable products and services.



Intellectual Capital

Key Inputs

- Discovering latent customer needs, developing and scaling of new solutions at market place
- Technical support from our parent Lafargeholcim Group
- Internal thought leaders and external experts influence the sector
- R&D spend: INR 0.20 Crore

Value Chain Activities

- Research & Development

Stakeholders

Key Outcomes

- 14 new products & solutions launched in 2018
- Improvement in operational efficiency in logistics and distribution safety through Transport Analytics Centre (TAC)
- Enhanced consumer trust on product quality, brand promise, and other beneficial features
- Value created for society and environment by utilization of supplementary cementing materials like fly ash and slag
- 8 technical support labs are NABL accredited

Launching innovative products and solutions.

Ambuja forayed in developing low carbon products long before it became the need of the hour, and also became the first Indian cement company to adopt Environmental Product Declaration (EPD) to establish its product line for sustainable construction, that also enables informed sourcing decision by the customers.

Continuing its stride to develop sustainable solutions for the customers, Ambuja launched 14 new products and services in 2019. These products include 8 types of Ready Mix Concrete (RMX) and plaster application based products (RoofCrete, SuperCrete, FibreCrete, ColumnCrete, FoundationCrete. FibrePlast, Plazto, BagCrete), 5 décor, leakage-proofing and tile adhesive application based solution products (Ambuja Tilocol VT, Ambuja Tilocol MT, Ambuja Tilocol ST, Ambuja SeelanSeal, Ambuja ColorSave Wall Putty), and 1 PPC cement product (Ambuja Kawach) with high strength and water shielding properties.

Ambuja is also member with industrial associations to voice the need for development of country specific green product declaration and standards for the cement industry products and services. This can benefit the environment by reducing pressure on virgin and mineral materials as well as all industry players by reward and recognition scheme. The Company constantly strives to set the benchmark for its product quality by focusing on responsible product design, raw material consumption, sustainable fuel mix and innovative product development.

Social & Relationship Capital

Every step taken is towards happiness. Yours.

We understand our responsibility towards the internal and external stakeholders, their prosperity and happiness quotient that are integral to our robust operations. Corporate social responsibility is an opportunity for us to contribute to the society and drive development within the communities that we operate in. We have a formal CSR policy and framework, which helps us to undertake targeted community and social development initiatives. Knowledge, skills and infrastructure are the building blocks that help us work beyond addressing poverty and energize the community to become self-sustainable.





Empower a woman to empower the society.

Financial independence is considered to have a large impact in boosting a woman's confidence and decision-making ability. By year 2019, Ambuja Cement Foundation (ACF) established 7 women federations. A critical focus is also on initiating enterprises for livelihood among women, and by 2019, we have 4,049 women engaged in entrepreneurial activities. As part of the women empowerment program, ACF has till date facilitated formation of 2,697 Self Help Groups (SHGs) with total 30,683 women members and a total corpus of INR 11.51 Crore. SHGs at various locations are coming together to federate, and further help women achieve financial independence, whilst mobilizing them to tackle various social issues, including alcoholism, domestic violence, sanitation and widow discrimination. Integration and higher engagement of programs is emphasized and has resulted in having about 17,000 women members actively involved across all our programs.

Human Capital

Happy people make happier organizations.



Human Resources (HR) are a pivotal organ of a business. Its importance lies in the fact that even with high level proficiency and automation, human factor can always determine the output of the processes. Organizational change, fostering innovation and mobilizing talent to sustain the organization's competitive edge are some of the essential aspects that a company cannot overlook. Ambuja has always tried to be a nurturing ground for talent by providing exposure to real time operating challenges and opportunities to excel one's skill by learning and growing on the job. We aim to provide a working environment that fosters Health & Safety (H & S) in all activities. Maintaining high standards with health and safety results in improved quality and productivity and developing H&S competencies of people helps us maintain our commitment towards achieving 'Zero Harm'. The LH Group's global expertise in Health & Safety processes and systems, Talent Management and best HR Processes help us in realizing our vision of 'Zero Harm' and becoming an employer of choice.

Human Capital

Key Inputs

- 8,886 employees – 124 females and 4,844 males
- 955 employees hired in 2018
- Total man-hours worked in 2018 is 3,83,46,849
- Employee wages: INR 672.08 Crores
- Average employee cost incurred: INR 12,86,818 per annum
- Total training imparted: 4,285 man days
- H&S campaign on road safety, working at height, energy isolation and permit to work
- HSE audits (group, cross Op co. or intra plant for all units)
- 100% of workforce represented by safety committees

Value Chain Activities

- Trainings
- Cement Manufacturing Process
- Marketing and Sales

Stakeholders Impacted

Key Outcomes

- 39 women recruited in 2018
- 2.6% women in total workforce and 10% women in senior management level
- 27% reduction in total onsite injuries, 32% reduction in Total Injury Frequency Rate (TIFR), and 31% reduction in Lost Time Injury Frequency Rate (LTIFR)
- Onsite fatality: 1
- Improvement in health of people
- Decrease in rate of absenteeism
- Average employee cost: INR 12,86,818 per annum
- 4,285 employees trained

Super Assisted Intelligent Learning (SAIL) System.

Ambuja has initiated a new learning platform – Super Assisted Intelligent Learning (SAIL). This platform helps users learn by delivering on-demand content, customized entirely for them. It encourages self-learning at one's own pace and personalizes the learning experience. The platform also pushes notification via mails about the popular courses trending amongst the users, that can help the employee to learn more and other than functional area skills. The platform provides updates like the score on certain competency based on the relevant courses underwent by the user, benchmarking with other users. The platform is also equipped with an interaction module that allows users to connect with each other. In addition, our Accelerated Learning Model (ALM) initiative from ACC-ACL Leadership Academy (AALA) focuses on "table-top to workshop" philosophy for implementing the acquired skills in actual practices to result in improved productivity and quality. ALM initiatives are categorized as per a specific theme for the month (e.g. Performance Management, Personal Development, Health & Safety, Diversity, etc). The learning content is delivered online and includes short videos, courses and audio lessons. ALM contests are run at the end of each month reinforcing key learning points covered during the month. A half-yearly ALM survey is conducted by AALA to understand learner feedback on the initiative launched, and gauge learner interests and preferences. The survey measures effectiveness of this initiative and identifies suggestions to make it more appealing, relevant and enriching to learners. ALM supports our other e-learning modules, classroom and field trainings by enforcing a knowledge transfer to all employees using digital technology.

Significant progress in Health & Safety of our people.

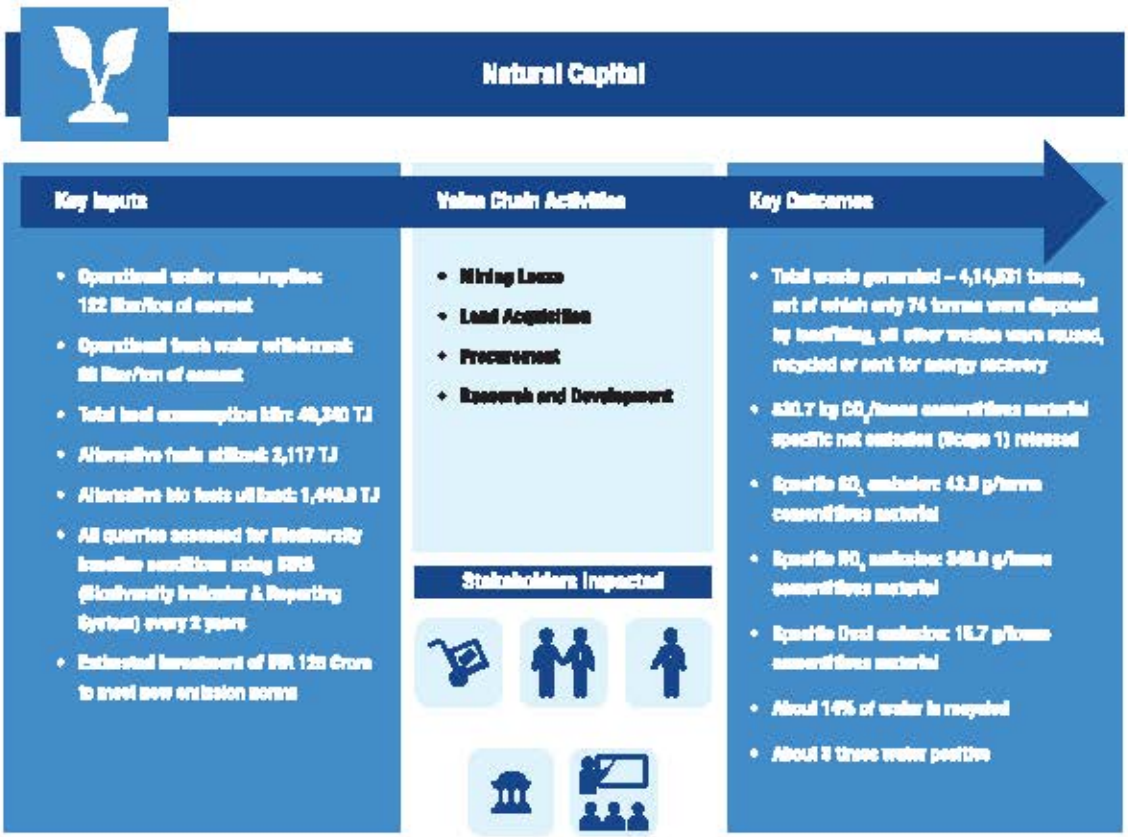
We have made significant strides in our Health & Safety (H&S) journey. In 2019, our concerted focus on systems and processes, incident learning, 'More-Boots-on-the-Ground' coupled with greater visible leadership on the frontline, has delivered good results. These initiatives reduced overall injuries by 27%, Lost Time Injury Frequency Rate (LTIFR) by 31% and Total Injury Frequency Rate (TIFR) by 35%. Our Surat, Panvel, Mangaluru and Farakka plants have accomplished 'Zero Harm', while 13 additional manufacturing units were LTI free in the year 2019. All these performance numbers only goes to establish the importance and seriousness accorded to H&S across our operations – at our plants, warehouses as well as in transportation. "We Care" is our transformation journey that has helped us significantly in this implementation.

Natural Capital

Business-environment balance is a natural choice.



We understand that we operate in one of the most energy and material intensive industries and that we also hold the great responsibility to maintain a balance between our demand for the natural resources and the impact we have on the natural resource capital for the community and the future generations. We also realize the global pressure on natural resources and place high priority in managing our raw material requirement and sourcing practices. With this understanding, Ambuja has embarked on implementing a circular economy model in our operations by optimizing our supply chain and mining operations. Strategic focus is placed on use of alternative raw materials to substitute natural resources and extend the life of the quarries. Energy conservation, switch to the most economical fuel mix and emission reduction form an integral part of our business strategy. We have also made our commitments publicly available in our sustainability and climate change mitigation policies reflecting our commitment to sustainable development. We invest significantly in reducing our environmental footprint and in enhancing the positive contributions of our products and processes to the environment.



When nature comes full circle to reward.

Waste materials (both non-hazardous and hazardous) from other sources are resource for us. Ambuja used about 8.7 million tonnes of waste-derived raw materials and fuels such as fly ash, slag and biomass. About 0.3 million tonnes of alternate materials and wastes were used as fuels to achieve the thermal substitution rate of 5.36 %, replacing fossil fuels. In a major initiative to be a plastic-negative Company, we co-processed about 94,570 tonnes of plastic waste from the market and became more than two times plastic-negative (which means co-processed more than two times plastic wastes in Ambuja kilns than the plastic content used in the cement bags for packaging).

Capitals

Financial

Manufactured

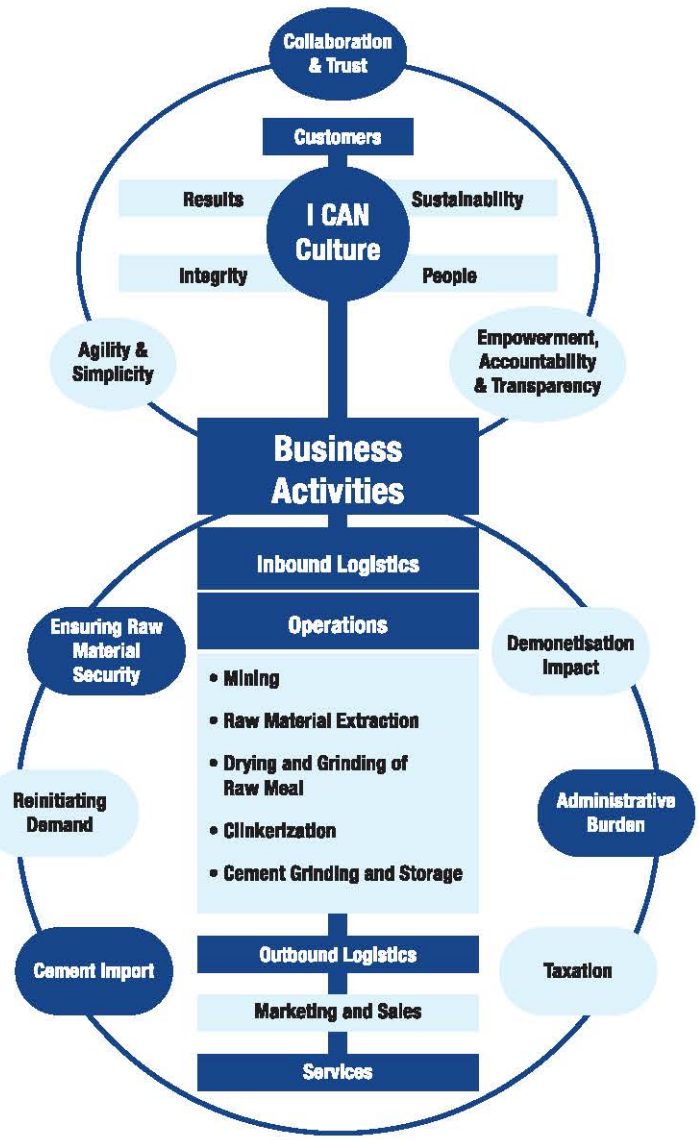
Intellectual

Social & Relationship

Human

Natural

Value creation through integrated thinking



Integrating risks into business strategy

Value created for our stakeholders

Shareholders & Investors

- Increased Market Capitalization
- Elevated EBITDA Margin
- Rise in operating cash flow
- Increased revenue from operations

Customers

- Sustainable and cost saving products
- Increased customer satisfaction

Employees

- Increased employee satisfaction
- Enhanced gender diversity in workforce
- Employees mentored & trained for leadership role
- Increased employee retention
- Reduction in LTIFR

Communities

- Lives positively impacted in a year
- Youth skill trained through SEDI (Including gender sensitive reporting)
- Local institutions promoted / created / strengthened
- Drinking water solutions provided
- Livelihoods promoted through Better Cotton Initiative (BCI) with details on reduced inputs including water, increased outputs and social value created

Value created for our stakeholders.

We conduct a comprehensive stakeholder engagement exercise to understand the expectations of our stakeholders (internal and external) and identify the material topics. Also, as part of the management systems and Site Specific Impact Assessment (SSIA) implemented at the units, the Company has identified what matters to the business and where does it matter the most in our value chain. These exercises give us an opportunity to identify concerns amongst various stakeholder groups, fostering transparency and building confidence for their desired satisfaction. Availability of resources and stakeholder relationships are two major influencers affecting the organizational growth. In order to maintain security on both the major influencers, our operations work towards achieving excellence in all aspects. A great thrust on the empowerment of our human capital is maintained. We are increasingly driving technological disruptions to ensure sustainable business growth that reduces our operational footprint. Effective and efficient utilization of assets helps us gain a competitive advantage, while also uplifting the communities that we operate in.

Our integrated thinking is reflected through our approach of creating value for our stakeholders.

While estimation for 2019 is still under process, our net positive contribution to environment and society in 2018 was about INR 1,490 Crore as compared to about INR 750 crore in 2012. Most of this value creation was achieved through fly ash utilization, water harvesting and recharge projects, agro-based livelihood creation and use of Alternative Fuels and Raw materials (AFR).

During the year under report, a Social Return On Investment (SROI) study was conducted for 6 SEDI locations. The timeline included trainings held for a 3 year period from 2015-18. The study aimed to understand the stakeholder perception of the socio-economic value creation by training for skill-based livelihoods. The study captured the impact through engaging stakeholder with consultations, surveys, on-site visits and found that the average SROI was ₹5.56 for every Rupee invested.

In recent past, we also conducted SROI studies focussed on evaluating social impact of water resource management related CSR projects. These SROI studies (conducted in 2017) of Watershed Development project at Darlaghat (Himachal Pradesh) found that for every ₹1 million invested by Ambuja Cements, there has been a resultant social return of ₹8.4 million. This is succeeding to the 2016 SROI results of ₹13 million at Kodinar (Gujarat) and ₹5 million at Rabriyawas (Rajasthan), respectively for every ₹1 million invested. These SROI results aid our decisions to make our CSR investments more strategic.





Directors' Report and Management Discussion and Analysis

Dear Members,

It is our pleasure to present the Annual Report of the Company for the year 2019.

1. An overview of the Indian economy and cement industry in 2019.

Indian Economy

India's GDP has expanded at a healthy rate over the last decade, with a CAGR of over 7%. This has resulted in improvements across key development indicators of the economy. Our country has witnessed a reduction in poverty rate by 10%, increase in pace of highway construction from 12 km/day to 27 km/day and a 6% CAGR increment in per capita income. India is currently the 5th largest economy in the world with an internal target of becoming a USD 5 trillion economy by 2024.

The agricultural, industrial, manufacturing and service sectors are the growth enabling pillars of the economy. The service sector is the largest contributor to the nation's GDP, followed by the manufacturing sector. With the intent to boost the domestic manufacturing sector output, the Government has spearheaded several campaigns, reforms and initiatives like Make in India, Sagarmala, Start-up India and has commissioned dedicated freight corridors to help the sector increase its pie in the overall contribution to GDP.

India's improved ranking (currently at 63rd position out of 190 countries) in Ease of Doing Business (improved by 67 positions over the past three years), is an outcome of the Government's efforts towards making the domestic environment conducive for attracting foreign capital. The reduction of corporate taxes was one such step taken in September 2019, the actual impact of which should reflect in the second half of 2020.

However, the GDP growth rate has witnessed a diminishing trend over the past few quarters. This can be attributed to the overall dip in consumption and muted manufacturing output and exports of goods and services.

Government expenditure on infrastructure and affordable housing waned in the second half of 2019. On the service sector front, the trade, hospitality, transport and communications businesses were amongst the ones which witnessed significant impact of slowdown.

To revive the economy and enhance consumer expenditure, fundamental reforms and consumer-centric policies are required coupled with heightened execution and implementation capabilities. In this regard, the Government has taken steps in the right direction by reducing repo rate to the tune of 135 basis points in 2019, exempting start-ups from payment of angel tax, infusion of ₹70,000 crores in public sector banks via two-stage bank recapitalization measures and planned expenditure on infrastructure development to the tune of ₹102 lakh crores.

Cement Industry

In 2019, growth in demand for cement hovered around 2-3% amid tough macro-economic conditions, muted demand in housing sector, pre-budget cutbacks in infrastructure spending and weak private sector contribution.

The year began on a positive note with the industry reporting double-digit growth in the first quarter (Jan-Mar 2019). But owing to the general election, labor shortages, weakness in realty sector and prolonged monsoon, the growth momentum was arrested and thereon the industry witnessed a downturn. In particular, the negative impact could be felt in the eastern and southern regions, while the central and northern regions stabilized the downward pressure on the overall industry growth rate.

The broader outlook for the cement sector remains positive bearing in mind the Center's renewed focus on infrastructure development and housing sector.

2. Operational and Financial Performance - 2019.

The Company cemented its position in 2019

- **Sales Volume**
  - Cement sales volume decreased by 0.9% from 24.18 million tonnes in 2018 to 23.96 million tonnes
  - Cement production reduced by 1.7% from 24.34 million tonnes to 23.93 million tonnes
- **Sales Value**
  - Sales value increased by 3.4% from ₹10,977 Crores to ₹ 11,353 Crores
  - Average sales realization increased by approx. 4.4 %, at ₹ 4,738 per tonne against ₹ 4,540 per tonne in previous year 2018
- **Expenses, Profit and Margin**
  - Total operating expenses for the year 2019 were almost at the same level of year 2018, marginal increase of 0.5%
  - During the year, Company earned EBITDA of ₹ 2,149 Crores, an increase of 13.6 % as compared to EBITDA of ₹ 1,891 Crores for the year 2018
  - Profit Before Tax and exceptional item was at ₹ 1,948 Crores, up by 19.1% as compared to ₹ 1,636 Crores for the year 2018

- Net Profit (Adjusted*) was up by 19%, at ₹ 1,426 Crores as compared to ₹ 1,200 Crores earned during the year 2018

* Adjusted for

a. Reversal of deferred tax of ₹ 103 Crores on account of change in income tax rate, in year 2019, Write-back of tax provision of ₹ 372 Crores in previous year 2018

b. Exceptional item ₹ 85 Crores in previous year 2018

Performance of the Material Subsidiary, ACC Limited

The Company's material subsidiary, ACC Limited, is one of the oldest and leading cement manufacturers of India. The summary of operational and financial performance of ACC is as under:

- Cement sales volumes in 2019 were up by 1.8% at 28.89 million tonnes
- Operating EBITDA for the year was ₹ 2,413 Crores, as compared to ₹ 2,048 Crores in the previous year, up by 17.8%
- Profit Before Tax for the year was up by 35.9% to ₹ 2,053 Crores as compared to ₹ 1,510 Crores in the previous year

Amount ₹ in Crores

Particulars	Standalone		Consolidated	
	Current Year 31-12-2019	Previous Year 31-12-2018	Current Year 31-12-2019	Previous Year 31-12-2018
SUMMARISED PROFIT AND LOSS				
Sales	11,352.76	10,977.00	26,538.62	25,418.90
Profit Before Finance Cost, Depreciation & Amortisation Expense and Exceptional Items	2,575.37	2,266.44	5,177.73	4,382.23
Finance Costs	83.52	82.33	169.87	170.50
Gross Profit	2,491.85	2,184.11	5,007.86	4,211.73
Depreciation and Amortisation Expense	543.83	548.09	1,152.52	1,153.94
Share of Profit of Associates and Joint Ventures	–	–	19.97	12.53
Exceptional Items	–	129.95	–	151.78
Profit Before Tax and Non-controlling Interest	1,948.02	1,506.07	3,875.31	2,918.54
Tax Expense	419.48	19.06	1,092.15	(54.15)
Net Profit for the Year	1,528.54	1,487.01	2,783.16	2,972.69
Less: Non-controlling Interest	–	–	688.16	795.29
Profit for the Year Attributable to Owners of the Company	1,528.54	1,487.01	2,095.00	2,177.40
MOVEMENT IN RETAINED EARNINGS				
Balance as Per Last Account	2,342.84	1,303.52	3,542.04	1,843.76
Net Profit for the Year	1,528.54	1,487.01	2,095.00	2,177.40
Add: Other Comprehensive Income	(4.39)	2.09	(29.09)	(0.17)
Less: Dividend on Equity Shares (Including Interim)	297.85	397.13	297.85	397.13
Less: Corporate Dividend Tax on Above	34.18	52.65	61.40	81.82
CLOSING BALANCE	3,534. 96	2,342.84	5,248.70	3,542.04

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

3. Dividend for the year 2019.

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. However, with a view to conserve resources for the upcoming expansion and other capital expenditure projects, the Board of Directors is pleased to recommend a dividend of ₹1.50/- per share (75%) which will result in the total pay-out of ₹298 Crores. This represents a pay-out ratio of 20%. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy which is provided as 'Annexure – I' to this Report. The policy is also available on the website http://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+.

4. Market situations that tested our cement's strength.

The year 2019 was a challenging year from demand perspective. Even as the Indian economy continued to struggle and the market analysts continued to look for answers, the weather played havoc with unusually high rains and storms, virtually stalling construction activity in large parts of the country.

The pollution levels in north reached a new high and National Green Tribunal banned construction activity in the National Capital Region, just when the weather seemed to ease out.

The GDP growth rate declined to 6.1% from the level of 7.2% in previous year. The Index of Industrial Production growth also slowed down to 3.6% from 4.4% as the secondary effects of RERA, Demonatization and GST kicked in.

Despite the headwinds, Ambuja's sales volume de-grew by only 0.9% over the entire year with the last quarter registering a healthy growth of 6.6%.

Product Rationale

Our product development team has worked extensively on understanding the market dynamics in terms of demand for and supply of certain types of products with specific features. This has helped us develop and launch products in segments and markets where we foresee significant growth potential over the coming years.

As part of our renewed approach towards optimal product-mix, we introduced 'Ambuja Kawach', which is a premium water-proof cement along with Dry Mortar segment products including Ready Mix Plaster, Wall Putty, Tile Adhesive and Seekan Seal.

These products will help us increase our consumer wallet share and scale it to 3x of current share and penetrate retail markets. With the aid of green-product launches in 2019, the Company has delivered greater value proposition to end-consumers. Our constant endeavor is to make available high-quality products meeting the requirements and demands of our partners and customer-base and these launches further consolidate our belief.

In addition to cementing the Company's relationships with existing customers and partners through the retail channel by way of diverse offerings, these products have also enabled the retailers to expand their businesses.



Marketing Approach -Product Eco-system for Wall Solutions

The Company is transitioning from product-based offerings to application-based offerings – Ambuja Wall Solution. This entails bundling products for the same application area and creating a product basket, which can then be taken to the market and offered as a complete package.

Ambuja Wall Solution



5. Logistics and Surface Transport.

Distribution Safety

Continuing its commitment towards the LH group's 'Zero Harm' policy, sustainable initiatives taken by the Company have resulted in significant increase in Safe Kilometers. More than 9,000 vehicles are plying with in-vehicle management system (IVMS) technology on-board and 6,000 drivers have been extensively trained with the objective of improving distribution safety. Behavioural trainings to drivers have substantially reduced incidences of speeding and negligent driving.

Technology

The Company has embarked upon a journey to digitize the entire supply chain in order to render quality customer services at optimal cost and enhance visibility. This has enabled end-to-end control, right from the planning to the execution stage. Transport Analytics Center (TAC) set up to improve operational efficiencies and distribution safety, is yielding positive returns. To make a difference in customer servicing, real-time inputs of in-vehicle management system (IVMS) are used, through TAC.

Talent Management in Logistics

Internal re-structuring within the logistics department has benefitted both the inbound and outbound logistics. Structured recruitment process of young and talented professionals and training under LafargeHolcim Logistics Excellence Process is enabling the Company to create a pipeline for future leadership positions.

6. Cost developments.

The Company witnessed significant pressure on costs due to increase in various input costs. Crude prices, raw material costs and fuel costs saw a rise in prices. Through fuel mix optimization and strategic sourcing, the Company could restrict cost increases.

Major Cost Movements

Raw Material

Cost of raw material constituted 10% of the total expenses, which is similar to last year. On a per tonne basis, raw materials cost was down by 1%.

Major component of raw material is Fly Ash and Gypsum. The cost of both materials was flat during the year due to optimal sourcing and a judicious change in the mix. During the year, clinker purchase was reduced, resulting in overall saving in cost of raw materials.

The Company is working on identifying new sources of materials and alternative low cost materials. Notwithstanding the initiatives, our mining team maintained the consistent quality of limestone, which helped simultaneously the optimum usage of additives in Raw Mix design.

Power and Fuel

Power and fuel costs constituted 25% of the total expenses. Optimizing power and fuel costs is one of the major drivers for improving the Company's operational performance. The Company constantly endeavors to reduce fuel costs by judicious procurement of imported fuel, change in fuel mixes in Kiln and CPP by using a relatively lower cost fuel, higher use of cheaper coal and use of alternative fuels. As a result of these initiatives, in spite of increase in pet coke and coal prices, overall increase of power and fuel cost on a per tonne basis was 2%. Furthermore, the Company consumed 68% of the total power requirement from captive sources, including an increased usage of the Waste Heat Recovery System.

Freight and Forwarding

Freight and forwarding costs constituted 30% of the total expenses. On a per tonne basis, the cost decreased by 5%. This is mainly due to various logistical initiatives such as the reduction of lead by increasing the market share in home markets, benchmarking and renegotiation of contracts with the transporters and continuous efforts to improve efficiency. Though, there was an increase in Clearing and Forwarding charges due to hiring of additional godown space and higher handling of premium products.

Employee Cost

Overall employee costs during the year decreased by 1.1%. This decrease is due to continual efforts to improve productivity and optimize employee cost.

Other Expenses

Other expenses constituted 20% of the total expenses. Stringent fixed cost optimization saw savings in many fixed cost elements. Overall increase in absolute terms was just 1% over the previous year, in spite of increase in branding and promotion cost. Packing cost shows reduction of cost by 8%.

7. Expansion Projects and New Investments.

While bolstering its market position, the Company made progress on several projects to serve its customers in an efficient, cost-effective, reliable and environment-friendly manner.

The Company focused on the consolidation and optimization of its existing capacities in all the three regions. In accordance with its policies of 'Zero Harm', clean & energy efficient infrastructure, cost efficiency and environment-friendly material handling systems and sustainability initiatives, the Company ensured the highest standards of safety with the help of the capital investments made over the course of the year.

Achievements at a glance

i) The projects undertaken to comply with the new environmental regulations for Dust, SO_2 and NO_2, issued by the Ministry of Environment, Forests and Climate Change (MoEFCC), are completed and under stabilization / optimization. The estimated investment is ₹125 Crores. Latest relevant technologies are in use, at par with global practices

ii) To meet the limestone requirement, the Company has invested ₹72 Crores to purchase 50 hectares of land in Darlaghat, Ambujanagar and Bhatapara

iii) To strengthen the Company's logistical capability and to extend its reach to customers, a new railway siding project is in progress at the Rabriyawas unit in Rajasthan, at a cost of ₹210 Crores. Possession of land has been taken. 80% of the earth work and 50% of line-laying work is complete. Overall, 70% of the project is complete. As per current timelines, the project is expected to be completed by Q2 2020

iv) Ambuja acquired a coal block at Gare-Palma sector IV/8 in Chhattisgarh at an e-auction of coal blocks conducted by the Government of India. This, with an estimated investment of ₹363 Crores, has helped in securing the Company's long-term requirement of coal. Open cast mining and commercial production commenced in April and October 2018, respectively. The mines development-cum-operation (MDO) contract has been finalized and site development activities are at an advanced stage. Underground mining is expected to begin by the end of Q1 2020

v) To ensure adequate availability of dry fly ash for the north cluster, the Company has set up a 'fly ash dryer' at Ropar at an investment of ₹20 Crores and it is under stabilization

Upcoming Capacities and Investments

i) Setting up of a Greenfield integrated plant with a capacity of 3.0 million tonnes clinker and 1.8 million tonnes cement grinding at Marwar-Mundwa in Nagaur District of Rajasthan, with a total investment of ₹2,350 Crores. The new plant will be commissioned during the current year 2020. Necessary orders have been placed for the clinker and cement projects. 40% of the civil work has been completed and Mechanical Erection will commence in Q1 2020

II) In order to secure long-term limestone requirement for the Bhatapara plant, Ambuja acquired a new mining lease at Maidi-Mopar. Environmental clearances as well as other required approvals for the mining lease have already been received. The following two projects are nearing completion:

- Opening of limestone mining with mining infrastructure at Maidi-Mopar Mines at an approved cost of ₹120 Crores

- Installation of the Limestone Transportation System for the said mines at an approved cost of ₹85 Crores

III) To secure long-term limestone requirement of the Ambujanagar plant in Gujarat, the Company has acquired a new mining lease in Loadhva. The environmental clearances and other required approvals for the mining lease have already been obtained; and mining equipment has been delivered. Land acquisition is underway; development and infrastructure work for the mine is in progress and is expected to be operationalized by March 2020

IV) To secure long-term limestone requirement of Maratha Cement Works plant in Chandrapur, Maharashtra, the Company has acquired a new mining lease in Nandgaon Ekodi. Environmental clearances and other required approvals for the mining are in progress

v) In order to minimize power cost, the Company has drawn up a plan to set up Waste Heat Recovery Based Power Plants at Darlaghat and Bhatapara, at a combined investment of ₹ 378 Crores. These are expected to be functional by Q2 2021



8. Key areas of concern.

The Company's comprehensive risk assessment and management framework effectively aids in identifying risks and opportunities along with preparing contingency plans to tackle internal and external variables and unknowns, which cannot always be accounted for.

Business Risk Management process involves identification and prioritization of risks through risk maps, business risk environment scanning and risk assessments. Both 'Top down' and 'Bottom up' approach is taken for risks/opportunities assessment, which is then consolidated/calibrated to get an overview of the entire organization.

The Risk management committee under the chairmanship of Mr. Rajendra Chitale, Independent Director, 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 a mechanism in place to apprise the Board about risk assessment and mitigation process. Following key risks were identified for the year 2019:

Maintaining Market Position

Nature of Risk: Cement industry in India is a myriad aggregation of small and large players. In such an environment, the risk of maintaining market position is persistent. Capacity addition is an ongoing process in the industry, which is currently witnessing consolidation. One of the lingering challenges facing the Company is the stability of its market position in a rapidly evolving competitive environment. Also, our peers have increased their pace of market expansion and outreach programs.

Mitigation Strategy: To mitigate this risk, the Company has invested in Greenfield clinkerization and cement grinding project in Rajasthan, which will increase the Company's cement output by 4.5 million tonnes p.a. This in turn will help us improve our market position in the northern, western and central regions. We are also enhancing our cement output by increasing production of blended cement in the eastern and western regions.

To further strengthen our market position and to remain competitive, the Company is continually working towards enhancing its brand equity through innovation, digitization and widening the product portfolio, strongly supported by value added services.

Fuel and Raw Material Security

Nature of Risk: Given the high correlation between inflation and cost of production, any changes in fuel prices – coal, pet coke and other fuel – can significantly impact the overall costs.

Mitigation Strategy: To mitigate this, we are working on ways and means to establish long deliveries and optimizing fuel mix, improving plant efficiency and increasing usage of alternate fuels and raw materials (AFR). Substantial investments have also been made in Green energy like Waste Heat Recovery Systems (WHRS) and solar power.

Procurement of the right quality and quantity of raw materials (primarily fly ash & slag) at an economical cost, is vital for production efficiency. Long term agreements are drawn and linkages at economic cost are made, to ensure uninterrupted availability. The Company has adequate reserves of limestone, which is an essential raw material required for production of clinker.

Environment and Sustainability

Nature of Risk: The Company is exposed to risks associated with the discharge of waste and emission of harmful gases in the environment.

Mitigation Strategy: Various initiatives have been undertaken by the Company including installation of bag filters to reduce dust pollution, plantation drives and creation of green belts to de-risk and protect the environment. Ambuja has a formalised Sustainability Policy, Green Procurement Policy and Climate Change Mitigation Policy. These policies equip us with the artillery to address and tackle climate change issues and make necessary changes in the planning stage with a view to ensure conduct of operations in a responsible and sustainable manner. The Company has a proactive approach towards reporting and disclosures on carbon emissions, in line with the protocol of the World Business Council on Sustainable Development (WBCSD).

In 2019, the Company's ranking on the Dow Jones Sustainability Index (DJSI) improved to 4th position in the list of global sustainable companies under the Construction Material (COM) category. We would also like to highlight that we are 8 times water positive and we have achieved this by reducing the salinity of water and engaged in water harvesting techniques in the vicinity of our large mining operations. Our fly ash absorption for the year 2019 stood at 32.5%.

Cyber Security

Nature of Risk: Digitization and technology have altered the ways in which companies engage in their business-as-usual activities. On one hand, advancements in the areas of Artificial Intelligence (AI), Internet of Things, Data Science And Block Chain have enhanced the overall ease of doing business, the flip side of it is the disruption of traditional business models, and more importantly, the heightened risks of cyber-attacks.

Mitigation Strategy: To manage cyber security risks, we have systematic back-up procedures and firewalls in place. Systems are upgraded and monitored at pre-defined intervals, in line with the latest security protocols. Cyber security policies, tools, guidelines and FAQs are updated in a periodic manner and frequent training and awareness sessions are conducted to educate employees on data protection techniques and eliminate data leakages.

Health and Safety

Nature of Risk: Complexity of operations and behavioural issues increase the risk of health and safety, especially in our plants and facilities.

Mitigation Strategy: As part of the group's 'Zero Harm' initiative, health and safety of the employees and workers continue to be of paramount importance to the organization. In addition to reviewing our systems, processes, procedures and plugging the gaps in terms of loopholes in the health and safety mechanism, we focused on improving frontline safety through our 'Boots on Ground' program which entails leadership's extended presence on locations.

Our continued efforts, both on-site and off-site, are supported by regular assessment of dynamic risks associated with safety. The year-on-year improvement witnessed in key metrics measuring health and safety parameters is a testament to our 'Zero Harm' initiative.

9. Human Resources.

Performance Culture

To build a strong performance culture across the organization, a new performance structure was created that clearly defines Profit and Loss (P&L) accountability at regional and field levels. As part of this new way of functioning, specific roles have been assigned to senior leaders to enable greater empowerment, leading to higher accountability. Teams focused on specific business targets have been created and team goals have cascaded down to the last team member.

Individual rewards have been designed based on their line of sight. Senior leaders went through transformational leadership program aimed at leading strategy and execution in their regions. The P&L structure, supported by effective mentoring by the top leadership and communication workshops, has helped create a sustainable performance culture within the organization.

Leadership Journey

To support our P&L leaders in this journey, the ACC - Ambuja Leadership Academy (AALA) in association with Indian School of Business, Hyderabad, has designed and delivered a program on Transformational Leadership. The objective of the program was to equip the leaders with the additional skillset required to effectively handle P&L responsibilities and lead strategy 2022 in their regions.

Talent Development

Super Assisted Intelligent Learning (SAIL)

The Company has introduced a Digital Learning Platform by using micro learning, to enable targeted and impactful training to the employees, at their convenience. The rationale behind SAIL mechanism is to provide learning and development modules and trainings access to firm-wide employees. These can be accessed via both, web-based and mobile applications.

Virtual Learning for Sales Personnel

16 virtual classroom training sessions were conducted, in addition to classroom programs, thereby covering a wider employee base. These sessions have ensured that the field force widened their knowledge and skill-set horizon with the aid of technology, while continuing working on the field.

People For Tomorrow (PFT)

'People For Tomorrow' is an initiative to identify exceptional talent at our plants, plug competency gaps and enable succession planning. It helps us ensure that we have the right people in the relevant roles with specific competencies, at our industrial sites.

This is achieved by determining the key roles which drive performance at the plant, assessing the competencies of employees in key roles and their successors, identifying and training potential employees and new joiners and to cater to the workforce and talent requirements.

Productivity and Industrial Relations

With continuous monitoring of corrective manning at plants and offices over the last three years, manpower productivity has improved by 25%.

Long-term wage agreements impacting 1,000+ workers were negotiated and agreed upon with respective unions in the integrated plants and grinding units. These settlements will further help improve productivity and boost employee morale, along with maintaining harmonious industrial relations.



10. Health and Safety.

Step-up in Health and Safety Performance

The 'Zero Harm' initiative continues to remain at the core of our Health and Safety programs and awareness. In 2019, we have dealt with health and safety related challenges in a manner that demonstrates our 'Safety First' approach. We witnessed one on-site incident during the year, which proved to be fatal in nature. The Company has learnt from this unfortunate incident and we endeavor to ensure implementation of required measures and procedures to prevent repetition of such an incident. This aside, we witnessed improvements across our leading and lagging indicators. Our gradual progress towards 'Zero Harm' can be witnessed through 35% reduction in Total Incident Frequency Rate (TIFR) and 31% reduction in Lost Time Injury Frequency Rate (LTIFR), compared to previous year. The count of on-site injuries, including first aid, has gone down by 27%. Even on the road safety front, we witnessed 9% decline in number of off-site road incidents.

Challenges

The Company encountered the following challenges in 2019:

- Operational discipline on the frontline with respect to compliance of rules governing safe conduct
- Introducing a robust 'Permit to Work' system across locations
- Implementation of 'Fatality Elimination Controls' on ground
- Maintaining our medical emergency response capability at an optimum level round-the-clock, especially in remote locations
- Driving techniques and compliance to minimum vehicle specifications in our logistics chain, to minimize and eliminate untoward incidents and injuries

Strategy

The Company executed its health and safety strategy based on the five pillars of Onsite Fatality Elimination, Zero Harm Culture, Systems & Processes, Control of Health Risks and Road Fatality Reduction.





Onsite Fatality Elimination

- Strengthen Job Risk Management
- Focus on:
  - Implementation of EI FEC
  - Lifting & Supporting Loads
  - FPE / FEC self Assessment (ME, ES, WAH, MG)
- Review of Action Closure from Last Fire Adequacy Study
- Fuel Storage Safety
- Warehouse Safety
- DSCQP



Zero Harm Culture

- Strengthen "We Care" through:
  - Improved Zone Performance
  - Behavior Based Safety
  - Two Minutes & Three Behaviors for "Hamari Suraksha, Hamare Hath"
- Safety Booster Program
- Boots on Ground
- Review Permit to Work Effectiveness
- Office Safety - Office Safety Rules and Ergonomics



Systems & Processes

- Lone Working - SOP and Tracking
- Two Wheeler IVMS Integration with TCT
- Health Surveillance Digitalisation - 100% Click2Health Implementation in IPs and GUs
- Raise H&S Competencies for Front Line Leadership



Control of Health Risks

- Medical Emergency Response
- Noise Profiling (For Balance Units)
- Industrial Hygiene Survey
- Alignment of Procedures with New Group Health Standards



Road Fatality Reduction

- DMC Effectiveness
- Continue Capability Building for InCab Training and Extend Training to Other Units (3 IP's, 3 GU's and 1 BCT)
- Roadmap 2020 - Achieve 2019 Targets

Contractor Partnerships

- Implementation of Risk Matrix Tool at IPO
- Development of Contractors for following High Risk Activities:
  - Silo Cleaning
  - Kiln Refractory Work
  - Lifting & Supporting Loads more than 1 MT.
  - Painting on High Structures
  - Scaffolding more than 20 Mtr.
  - Sheet Replacement & Cleaning on Height
- Implementation of Contractor Safety Management RASIC (Responsibility, Accountability, Support Information and Consultation) Matrix
- H&S Implementation Plan for All High Risk Activities
- Project Safety – Marwar-Mundwa and Coal Block

The strategic initiatives were adequately supported by:

- Monthly performance monitoring at unit and corporate levels
- Focus on learning from incidents and action closures
- Campaigns / self-assessments on:
  - Minimum Safe Behaviors
  - Don't Walk Past
  - Lifting & Supporting Loads
  - Permit to Work
  - Mandatory Safety Release #1 (Hot Meal)

What We Achieved

Highlights of our on-site Health and Safety performance are as under:

- Successful accomplishment and adherence to 'Zero Harm' initiative principles in 4 manufacturing units (Surat, Dadri, Panvel and Mangaluru)
- 3 manufacturing units (Surat, Dadri and Mangalore) achieved more than five 'Lost Time Incident (LTI) free' years
- 13 additional manufacturing units were LTI free in the year 2019
- 27.65% reduction in on-site recordable injuries
- 19.40% increase in leading indicators, compared to 2018

On the road safety front, positive strides have been made with effective use of technology and data analysis coupled with practical driver assessment, resulting in 39% drop in incidents with a corresponding reduction in injuries by 46%. Highlights on this front include the following:

- 5,025 In-cab assessments (on-road practical) completed by truck drivers and company-owned four-wheeler drivers
- 2,188 in-vehicle monitoring systems (IVMS) installed in controlled fleet trucks. This has facilitated blanket monitoring of driving behavior and pattern when materials and end-products are being transported
- 506 in-vehicle monitoring systems (IVMS) installed in two-wheelers (marketing) and integrated with Transport Analytics Center (TAC) for tracking driving behaviour and pattern

11. Leveraging digital technology to drive business value.

Our expanded footprint in the digital space is acting as an enabler of our business objectives. Firm-wide implementation of digital technology is ensuring and driving sustainable growth, customer satisfaction, continuous productivity improvement and employee engagement.

CRM for Salesforce Enablement

We have introduced '1Channel' CRM for our sales force with advanced and value-added features like geo-positioning of channel counters, RMIS entries, etc. This has helped us in deeply engaging with our channel partners and gathering timely market intelligence.

AI-enabled Sales Assistant

We have introduced 'Sellina', an Artificial Intelligence platform providing daily actionable insights to the sales personnel. These valuable inputs help them take decisive actions on core KPIs and focus on under-performing areas. It also facilitates quick comparison of key metrics with those of peers.

Influencer Loyalty Program

We have introduced a loyalty program for the influencer community (contractors), where the top 20 contractors associated with sales and service engineers have been mapped. Contractor loyalty program has shed light on the functioning and requirements of the influencer community, which recommends our products and services to the Individual Home Builders.

QR code-based 'Boots on Ground'

To enable a safe working environment within the plant and surrounding premises, we have rolled-out a QR code-based 'Boots on Ground (BOG)' application, which tracks daily visits of officers and captures information, generates and transmits reports on any discrepancies or divergence from routine and normal work procedures and safety requirements within the premises.

Going Forward

We are working towards digitizing the brand experience and testing viability of implementing Robotic Process Automations (RPA) in the areas of Integrated Supply Planning, Connected Logistics & Automation of workflow processes. We are also looking to increase our e-Commerce marketplace presence and provide options to end-buyers to browse and purchase our products and avail our services, from the comfort of their homes.

12. Sustainability and environment.

Constant Focus and Consistent Efforts

Our constant endeavor is to create an adaptable and sustainable business model, which will help us maintain our position as one of the sector's front-runners, in a highly competitive market. Process efficiency and continual improvement have been the driving forces behind ensuring sustainable business performance.

Our approach towards managing the sustainable development related risks and opportunities altered in the concluded year and the positive changes earned us the 4th position globally (5th in 2018) in Dow Jones Sustainability Index's (DJSI) Construction Materials category. Ambuja Cements Limited is the only Indian cement company to attain this feat of recognition and position in the top 5 most sustainable companies in the DJSI, for two consecutive years.

Future Proofing with Sustainability Goals

Our Sustainable development plan – 'The 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 and Energy, Circular Economy, Environment and Community. Our operational-site level objectives help the respective heads align with and accomplish overall company level objectives. With the strides made in 2019, we are on track to achieve the intermediate sustainable development targets in the four defined areas, set for the year 2020.

Seeking a Balance Between Internal and External Goals

With respect to the Indian cement industry, Ambuja has spearheaded adoption of the principles of Sustainable Development Goals (SDGs) and Corporate Citizenship. The Company has mapped its activities against the SDGs and their indicators, which form part of our Sustainability Report. Building upon the Company's product stewardship, we launched sustainable products and solutions in the market in 2019, to extend sustainable development support to our partners and customers.

The Company has maintained its water positive leadership position in 2019. In order to promote a circular economy in its operations, the Company compensated its plastic consumption in the supply chain and recovered 94,570 tonnes of plastic waste from the market. This quantity is ~40% higher than the quantum recovered in 2018. With the help of sustained efforts on this front, we continue to make steadfast progress towards our plastic negative leadership.

3.1 lakh tonnes of Alternate Fuels (AF) were used in 2019, resulting in a Thermal Substitution Rate (TSR) of 5.36%. 8.7 million tonnes of waste-derived raw materials were used in the Company's circular economy portfolio. This contributed towards lowering the clinker factor to 64.91%. As part of its sustainable products initiative, the Company doubled the production of composite cement year-on-year.

The Company has developed an Environmental Product Declaration (EPD) after a Life Cycle Assessment (LCA) of its low-carbon products, Portland Pozzolana Cement (PPC) and composite cement, which constitute 90% of the product portfolio. EPDs are available in the public domain for B2B communication and to facilitate customers to make informed decisions.

Sustainability Reporting As Per Global Standards

In 2019, Ambuja published its 12th Sustainability Development Report on the triple bottom line performance for the year 2018. Ambuja displayed its stewardship in aligning with the latest guidelines by preparing the report in accordance with the latest Global Reporting Initiative (GRI) Standards. An independent Assurance provider was appointed, as per the AA1000 assurance standard.

The report was aligned to the Sustainable Development Goals (SDG) and indicators of Cement Sustainability Initiative (CSI), an erstwhile initiative of World Business Council for Sustainable Development (WBCSD). The Company has consistently issued the Business Responsibility Report (BRR) as part of its Annual Report, since 2012. The Company has partially adopted the Integrated Reporting (IR) Framework prescribed by the International Integrated Reporting Council (IIRC), by reporting its operational and financial performance against the six capitals of IR Framework. The Company will consider releasing a complete Integrated Report in future.

13. Corporate Social Responsibility (CSR).

Improving Lives Holistically

Corporate Social Responsibility (CSR) at Ambuja has evolved over the past 25 years, during which period the Company has firmly imbibed the values of host-community prosperity and transformation within its DNA. Through Ambuja Cement Foundation (ACF), the CSR arm of Ambuja, the Company has connected with 2.6 million people across 2,431 villages in 32 districts spanning 11 states of India.

The ACF program includes systematic assessments across sites over a defined period, which addresses the needs and requirements of the communities. The program focuses on Water Resource Management, Skill Development, Women Empowerment and Education for All.

Water Resource Management – Journey from Scarcity to Revival

Water Resource Development is one of the key priorities of the Company. The program lays emphasis on water conservation techniques, potable water and use of technology to support the initiatives. These are implemented in the surrounding vicinities of the Company's plants, to cater to the requirements of the neighboring settlements.

As on 31st December 2019, 9,028 Roof Rainwater Harvesting Systems and 443 check dams have been constructed. 56.50 million cubic meter of water storage capacity has been created through integrated water harvesting and recharge structures across locations. 26,225 hectares of watershed development through soil and water conservation has been completed. In order to minimize the risk exposure of rural communities to climate change, the Company undertook climate proofing of watersheds in partnership with NABARD, in Solan district of Himachal Pradesh. Water harvesting structures such as farm ponds and check dams in the watershed area have enhanced agricultural productivity and improved water storage.

In 2019, at the First National Water Mission Awards Ceremony, ACF was awarded by the Jal Shakti Ministry (Government of India) for its contribution to ground water recharge and water resource management initiatives in impacted areas of Gujarat and Rajasthan.



Skill and Entrepreneurship Development Institute (SEDI) – Promoting Sustainable Skill-based Livelihood

The SEDIs were initiated by ACF to hone and align the skillsets of rural youth with the requirements of the industry. The Company has 33 SEDIs and has trained 62,921 youth, to date (6,956 in 2019) across 35 accredited courses, with a placement record of 75%. Enterprise development is systematically supported at SEDIs and 17,742 trained candidates have successfully embarked upon their entrepreneurial journey. In 2019, 6 new SEDIs opened in Morbi, Mathura, Mahuva, Dariba, Agoocha and Hooghly. Over the past few years, the Company has laid emphasis on training females and preparing them for technical roles.

In 2019, a Social Return on Investment (SRoI) study was conducted in 6 SEDI locations. The study involved the review of trainings conducted from 2015 to 2018. This was undertaken to understand the stakeholder perception of socio-economic value created by the trainings for skill-based livelihood. The study found that the average SRoI was ₹ 5.56 for every Rupee invested.

Women Empowerment

As part of the Women Empowerment program, ACF has facilitated formation of 2,697 Self Help Groups (SHGs) with a total of 30,683 members. ₹11.51 Crores have been invested in this initiative. We have witnessed active involvement and participation of 17,000 women members across our programs. Trained local women are contributing as para-professionals and field facilitators in several programs including 196 Pashu Swasthya Sevikas (PSS) and 356 Sakhis, across locations.

ACF has established 7 women federations. SHGs across locations are pooling their resources and expertise to help women achieve financial independence, while mobilizing them to tackle a wide array of social issues including alcoholism, domestic violence, sanitation and discrimination against widows. Focus is also on initiating enterprise for livelihood among women and this helped 4,049 women engage in entrepreneurial activities. Amrit Dhara Milk Cooperative in Darlaghat, installed a bulk chilling machine with a storage capacity of 2,000 liters of milk to support dairy business growth.

Education

ACF, in association with government run schools, introduced sports on a pilot basis in 10 schools in Darlaghat. As part of the Haridwar project, partnering with HDFC, smart classrooms were introduced in 12 schools. ACF, in collaboration with Doorstep Schools (DSS), started a project and invested time and efforts in bridging the dialect gap faced by tribal children in schools, to enable ease-of-learning.

Ambuja Manovikas Kendra (AMK) is a special facility opened by ACF, dedicated to the intellectually challenged children in Ropar, Punjab. The center has earned wide-spread recognition and is touted as one of the best schools for special children in the region. The center is providing therapeutic services to 137 children with intellectual disabilities.

Annual Report on CSR Activities and Expenditure

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 presented under Annexure II to this Report and the CSR policy is available on the website of the Company.

14. Disclosures under the Companies Act, 2013 and Listing Regulations.

Extract of Annual Return

An extract of the annual return in Form MGT-9 is attached as Annexure III to this Report. The full Annual Return of the Company will be available on the website subsequently upon the filing with the Ministry of Corporate Affairs.

Number of Board Meetings

The Board of Directors met 5 (five) times in the year 2019. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

Composition of Audit Committee

The Board has constituted the Audit Committee which comprises of 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.

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 website of the Company at http://ambujacement.com/Upload/PDF/policy_on_determining_materiality_of_rpt_2 _oct_2015 _revised.pdf.

All the related party transactions are entered on an Arm's Length basis 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 or Key Managerial Personnel, etc,. which may have a potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. 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 & 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 to Section 134(3)(h) of the Companies Act 2013 and Rule 8(2) 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 IV to the full Annual 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 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 disposed off. No cases of child labor, forced labor, 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.

15. 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 this report.

16. 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 Organizations (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. 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.

The Company has a strong in-house Internal Audit (IA) department, which functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity and independence. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. Over a period of time, the IA department has acquired in-depth knowledge about the Company, its businesses, its systems and procedures, which is now institutionalized. The Company's Internal Audit function is ISO 9001:2015 certified.

The IA department develops a risk-based annual internal audit plan, which is approved by the Audit Committee. The IA department carries out risk-focused audits across all locations, enabling identification of areas where risk management processes may need to be strengthened. Significant audit observations and corrective action plans are presented to the Audit Committee. Over the years, formal and independent evaluation of internal controls and initiatives for remediation of deficiencies by IA department has resulted in a robust framework for internal controls. This formalized system of internal control and risk management framework facilitate effective compliance of Section 138 of the Companies Act, 2013 and relevant statute applicable to the LafargeHolcim group.

17. 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 Ambuja's core. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's business operations, performance and reputation, Ambuja has emphasized even more on 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 victimized 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 the full Annual Report. The Ethical View Reporting Policy is available on the Company website: www.ambujacement.com

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 (ABCD)

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 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', mandatory online training & testing through a web-based application tool was conducted for approximately 900 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.

18. Board of Directors and Key Managerial Personnel.

Cessation

Mr. Bimlendra Jha (DIN 02170280) MD & CEO, decided to pursue his other interest outside the Company and accordingly resigned from the Board from the closing hours of 20th February, 2020.

Directors' Appointment / Re-appointment

Ms. Then Hwee Tan, Mr. M. K. Sharma, Mr. P. K. Molri and Mr. Ranjit Shahani were appointed as Directors on the Board during the year.

During the year under review, Mr. Nasser Munjee, Mr. Rajendra Chitale, Dr. Omkar Goswami and Mr. Shailesh Haribhakti were re-appointed as Independent Directors for the second term of 5 years w.e.f. 1st April, 2019. Ms. Shikha Sharma was appointed as a women Independent Director on the Board w.e.f. 1st April, 2019 for the first term of 5 years.

The shareholders have at the last Annual General Meeting passed the requisite resolution in this regard.

Mr. Neeraj Akhoury (DIN 07419090)

Mr. Neeraj Akhoury has been appointed as an Additional Director and Managing Director & CEO w.e.f. 21st February, 2020 for a period of 5 years.

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

Mr. Jan Jenisch (DIN 07957196), Mr. Martin Kriegner (DIN 00077715) and Mr. Christoff Hassig (DIN 01680305) 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.

Attributes, Qualifications & Independence of Directors and their Appointment

The Nomination & Remuneration Committee of Directors has 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 comprise of 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 5 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 V.**

Independent Directors Declaration

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. The profile of the Independent Directors forms part of the Corporate Governance Report.

In the opinion of the Board, the Independent Directors appointed / re-appointed during the year under review are persons of high repute, 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 2019 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 action,s 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 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 contribution, attendance, decision making, inter-personal relationship, actions oriented, external knowledge, etc. 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 9th December, 2019 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 also agreed on various action points which will be implemented during the year 2020.

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 Familiarization Program for Directors

The details of the induction and familiarization program of the Directors are given in the Corporate Governance Report.

Key Managerial Personnel

During the year under review, Mr. Bimlendra Jha was appointed as the MD & CEO w.e.f. 1st March, 2019. However, he resigned from the Company w.e.f. 20th February, 2020. Mr. Neeraj Akhoury was appointed as the MD & CEO w.e.f. 21st February, 2020. Ms. Sonal Shrivastava has been appointed as the CFO of the Company w.e.f. 1st May, 2019 in place of Mr. Suresh Joshi. There is no change in the Company Secretary during the year under review.

19. Directors' responsibility.

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

i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departures

ii) 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 31st December 2019, and of the statement of Profit and Loss and cash flow of the Company for the period ended 31st December 2019

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

20. Auditors & Auditors' Report.

Statutory Audit

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 5 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 2019 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 is dealt in more detail in point no.22 herein below.

Cost Audit

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 the Financial Year 2019 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 the financial year 2018 was filed with the Ministry of Corporate Affairs on 27th May, 2019 vide SRN: H60780350.

Secretarial Audit

The Board had appointed Mr. Himanshu S. Kamdar (CP No.3030), Partner of M/s. Rathi & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019 and his report is annexed to this report as **Annexure VI**. 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.

21. 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.

22. 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 ₹1163.91 Crores on the Company was heard and dismissed by the NCLAT and CCI's Order was upheld. Further, the Company has challenged the judgment 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 19th January, 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 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 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. 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 8, 9, 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 re-balanced in line with the evolving interest rate environment.

24. Transfer of unclaimed dividend and unclaimed shares.

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

25. 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 VII** and forms part of this report.

26. Particulars of Employees.

There were 4,625 permanent employees of the Company as of 31st December, 2019. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are annexed to this report at **Annexure VIII.**

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.

27. Direct subsidiaries, joint ventures and joint operations.

As of 31st December 2019, the Company has 6 direct subsidiaries, 1 joint venture and 1 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 at: www.ambujacement.com/investors

28. 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 to this report at **Annexure IX.**

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

29. 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, color, marital status and sex.

30. 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

31. Business Responsibility Report.

The Business Responsibility Report of the Company for the year ended 31st December, 2019, is made available on the website of the Company and also forms part of the Annual Report.

32. 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.

33. 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

N. S. Sekhsaria
Chairman & Principal Founder

Mumbai
20th February, 2020

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 utilized 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.

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 programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	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 programe areas of ACF are Natural Resource Management (Land and Water Resource Management), Livelihood Promotion (Agro Based Livelihoods and Skill and Entreprunership Development), Human Development (Community Health and Sanitation, Education and Women Empowerment) and Rural Infrastructure Development. For further details about the above listed programs, 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
2	Composition of CSR & Sustainability Committee	Mr. Narotam Sekhsaria, Chairman Mr. Nasser Munjee, Independent Director Mr. Rajendra Chitale,Independent Director Mr. Martin Kriegner Mr. Mahendra Kumar Sharma Mr. Bimlendra Jha Ms. Pearl Tiwari, Permanent Invitee, Head of Ambuja Cement Foundation
3	Average net profit of the company for last three financial years	₹1335.64 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹26.71 Crores
5	Actual amount spend on CSR during the financial year	₹62.57 Crores. i.e. 4.68% of the Average Net Profit of the last 3 years.

(₹ In Crores)

6	Expenditure Statement for the year 2019 as per Schedule VII of the Companies Act, 2013						
Sr. No.	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes (1) Local areas (2) State and district where projects or programs were undertaken**	**Amount outlay (Budget) project or programs wise**	**Amount Spent on Programs / Projects**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through Implementing Agency**
a	Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation	**1. Andhra Pradesh** A) Nadikudi - District Guntur **2. Chattisgarh** A) Bhatapara - District Baloda B) Raigarh **3. Gujarat** A) Kodinar - District Gir Somnath B) Gandhinagar - District Gandhinagar C) Sanand - District Ahmedabad D) Choryashi - District Surat **4. Himachal Pradesh** A) Darlaghat - District Solan B) Nalagarh - District Solan **5. Madhya Pradesh** A) Amarwara - District Chhindwara **6. Maharshtra** A) Korpana - District Chandrapur B) Panvel - District Raigad **7. Punjab** A) Bathinda - District Bathinda B) Daburjee - District Rupnagar **8. Rajasthan** A) Marawar Mundwa - District Nagpur B) Rabriyawas - District Pali **9. Uttarakhand** A) Roorkee - District Haridwar **10 Uttar Pradesh** A) Dadri - District Gautam Budhnagar **11. West Bengal** A) Farakka - District Murshidabad B) Sankrail - District Howarh -	15.46	18.38	18.38	Through Ambuja Cement Foundation and Through 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.	Ambuja Manovikas Kendra, Skill And Entrepreneurship Development Institute (SEDI),Non Formal Education, Village Knowledge Center		16.78	17.06	17.06	Through Ambuja Cement Foundation, Ambuja Vidya Niketan & Directly
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, Female Feticide, Women Self Help Groups Federation		1.29	2.14	2.14	Through Ambuja Cement Foundation
d	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Non Conventional, Biogas, Solar, Plantation, Water Resources, Watershed		9.14	8.73	8.73	
e	Rural development projects.	Rural Infrastructure Project		11.72	14.57	14.57	
f	Measures for the benefit of armed forces veterans, war widows and their dependents.	Contribution to rehabilitation and welfare of Armed Forces		-	0.00	0.00	Directly

(₹ In Crores)

6	Expenditure Statement for the year 2019 as per Schedule VII of the Companies Act, 2013						
Sr. No.	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes (1) Local areas (2) State and district where projects or programs were undertaken**	**Amount outlay (Budget) project or programs wise**	**Amount Spent on Programs / Projects**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through Implementing Agency**
g	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes,the Scheduled Tribes, other backward classes, minorities and women.	Contribution to National Tribal Dance Festival		-	0.10	0.10	Directly
		Total		**54.39**	**60.98**	**60.98**	
	Overheads	Overheads		1.59	1.59	1.59	
	Cumulative expenditure up to the reporting period			**55.98**	**62.57**	**62.57**	
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 Committee

Sd/-
N.S.Sekhsaria
CHAIRMAN -CSR COMMITTEE
(DIN NO. 00276351)

Sd/-
Bimlendra Jha
MANAGING DIRECTOR & CEO
(DIN NO. 02170280)

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st December 2019

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

I. REGISTRATION AND OTHER DETAILS

1.	**CIN**	L26942GJ1981PLC004717
2.	**Registration Date**	20th October 1981
3.	**Name of the Company**	Ambuja Cements Limited
4.	**Category/Sub/Category of the Company**	Public Company limited by shares
5.	**Address of the Registered office and contact details**	P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat – 362715 Telephone: +91/2795/221137 / +91/2795/232365
6.	**Whether listed Company (Yes/No)**	Yes
7.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	**Link Intime India Pvt.Ltd.** C/101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083. **Telephone:** (022) 49186000 **Fax Number:** (022) 49186060 **Email id:** rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/ Services	Industrial Activity of the Product (NIC Code of the Product/service)	% to total turnover of the company.
1.	Manufacture of Clinkers and Cement	Group – 239; Class:2394 Sub/Class : 23941 & 23942	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Holderind Investments Limited Holcim Group Support (Zurich) Ltd., Hagenholzstrasse 85, CH/8050, Zurich, Switzerland	Foreign Company	Holding	63.11	2(46)
2.	M.G.T Cements Private Limited P.O.Ambujanagar, Tal: Kodinar, Dist: Gir Somnath, Gujarat / 362715	U26943GJ1990PTC061530	Subsidiary	100	2(87)
3.	Chemical Limes Mundwa Private Limited P.O.Ambujanagar, Tal: Kodinar, Dist: Gir Somnath, Gujarat / 362715	U14107GJ2007PTC061529	Subsidiary	100	2(87)
4.	Dang Cement Industries Private Limited House No. 70, Nalma Marg, Handigaon, Ward No. 5, Kathmandu, Nepal	Foreign Company	Subsidiary	91.63	2(87)

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
5.	Dirk India Private Limited Plot no. 10, India House, Gitanjali Colony, Indira Nagar, Mumbai Agra Road, Nashik 422009	U40102MH2000PTC126812	Subsidiary	100	2(87)
6.	ACC Limited Cement House, 121 Maharshi Karve Road, Mumbai / 400020	L26940MH1936PLC002515	Subsidiary	50.05	2(87)
7.	Counto Microfine Products Private Limited 2nd Floor, Velho Building, Opp. Muncipal Garden, Panaji, Goa 403001.	U70200GA1996PTC002240	Joint Venture	50	2(6)
8.	Wardha Vaalley Coal Field Private Limited A/23, New Office Complex,Defence Colony, New Delhi 110024	U10300DL2010PTC197802	Joint Venture	27.27	2(6)
9.	OneIndia BSC Private Limited No/003, 'A', Garden Floor, 'The Estate', No/121, Dickenson Road, Bangalore, Karnataka / 560042	U74900KA2015PTC082264	Subsidiary	50	2(87)

Note: OneIndia BSC Private Limited is a JV between the Company and its subsidiary, ACC Limited and hence considered as "Subsidiary". Wardha Vaalley Coal Field Private Limited is a "Joint Operation" as per Accounting Standards.

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

i. Category/wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	
2. Foreign									
Bodies Corporate	1253156361	-	1253156361	63.11	1253156361	-	1253156361	63.11	Nil
Total Shareholding of Promoters & Promoter Group (A)	**1253156361**	**-**	**1253156361**	**63.11**	**1253156361**	**-**	**1253156361**	**63.11**	
B. Public Shareholding									
1. Institutions									
Mutual Funds / UTI	100080537	91485	100172022	5.04	107761429	83985	107845414	5.4313	0.3864
Banks/FI	34634794	9708	34644502	1.74	18977151	9708	18986859	0.9562	-0.7885
Central Govt.	2899483	0	2899483	0.15	3216408	0	3216408	0.1620	0.0160
Insurance Co.	96669396	13500	96682896	4.87	134934835	13500	134948335	6.7962	1.9271
FII's	310794	62775	373569	0.02	182962	62775	245737	0.0124	-0.0064
Others/ Foreign Portfolio Corp.	336317420	0	336317420	16.94	323601890	0	323601890	16.30	-0.64
Sub / Total B (1)	**570912424**	**177468**	**571089892**	**28.76**	**588674675**	**169968**	**588844643**	**29.66**	**0.89**
2. Central Govt/ State Govt./ President of India	Nil	Nil	Nil		3862572	0	3862572	0.19	0.19
					3862572	0	3862572	0.19	0.19
3. Non/ Institution									
a. Body Corp.	30331298	0	30331298	1.53	7933190	60	7933250	0.40	-1.13

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
b.	**Individuals**									
i.	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	72351769	10570362	82922131	4.18	75040566	8810147	83850713	4.22	0.05
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7905548	325710	8231258	0.41	7126433	379710	7506143	0.38	-0.04
c.	**Others**									
i.	Non Resident Indians (Repatriation)	5431984	3718335	9150319	0.46	5805168	3047174	8852342	0.45	-0.02
ii.	Non Resident Indians (Non/ Repatriation)	2065672	121310	2186982	0.11	2394897	100972	2495869	0.13	0.02
iii.	Foreign Nationals	6100	0	6100	0.00	3850	0	3850	0.00	0.00
iv.	OCB	3750	9120	12870	0.00	3750	9120	12870	0.00	0.00
v.	Trust	17100817	0	17100817	0.86	18904247	0	18904247	0.95	0.09
vi.	Foreign Company	581459	0	581459	0.03	781429	0	781429	0.04	0.01
vii	NBFCs registered with RBI	26779	0	26779	0.00	20340	0	20340	0.00	0.00
viii.	QIB	35	0	35	0.00	0	0	0	0	0
Alternate Investment Funds		0	0	0	0	586000	0	586000	0.03	0.03
Sub/Total B (2)		**135805211**	**14744837**	**150550048**	**7.58**	**118599870**	**12347183**	**130947053**	**6.59**	**-0.99**
Total Public Shareholding B - (B1 + B2)		**706717635**	**14922305**	**721639940**	**36.34**	**711137117**	**12517151**	**723654268**	**36.44**	**0.10**
Total (A) + (B)		**1959873996**	**14922305**	**1974796301**	**99.45**	**1964293478**	**12517151**	**1976810629**	**99.56**	**0.10**
C.	**Shares held by Custodian for GDRs & ADRs**									
Promoter and Promoter Group		-	-	-	-	-	-	-	-	-
Public		10836928	12000	10848928	0.55	8822600	12000	8834600	0.44	-0.10
Grand Total (A+B+C)		**1970710924**	**14934305**	**1985645229**	**100.00**	**1973116078**	**12529151**	**1985645229**	**100.00**	**0.00**

ii. Shareholding of the Promoters:

Sr. No.	Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Holderind Investments Limited	1253156361	63.11	-	1253156361	63.11	-	-
	Total	**1253156361**	**63.11**	**-**	**1253156361**	**63.11**	**-**	**-**

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

There is no change in the shareholding of the promoter group.

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1.	**LIFE INSURANCE CORPORATION OF INDIA**	96699146	4.87	01-Jan -19			96699146	4.87
				04-Jan-19	-41394	Transfer	96657752	4.87
				27-Dec-19	-91709	Transfer	96566043	4.86
				31-Dec-19	-879415	Transfer	95686628	4.82
		Total as on 31.12.2019					**95686628**	**4.82**
2.	**GOVERNMENT OF SINGAPORE**	32028540	1.61	01-Jan -19			32028540	1.61
				04-Jan-19	59698	Transfer	32088238	2.07
				18-Jan-19	19022	Transfer	32107260	2.07
				08-Feb-19	183197	Transfer	32290457	2.08
				22-Feb-19	51436	Transfer	32341893	2.08
				01-Mar-19	-218824	Transfer	32123069	2.07
				08-Mar-19	-249075	Transfer	31873994	2.05
				15-Mar-19	2181040	Transfer	34055034	2.19
				22-Mar-19	1422419	Transfer	35477453	2.29
				29-Mar-19	2684360	Transfer	38161813	2.46
				05-Apr-19	1613778	Transfer	39775591	2.56
				12-Apr-19	1626665	Transfer	41402256	2.67
				19-Apr-19	273878	Transfer	41676134	2.69
				26-Apr-19	62062	Transfer	41738196	2.69
				03-May-19	-33912	Transfer	41704284	2.69
				10-May-19	-92793	Transfer	41611491	2.68
				17-May-19	-8251	Transfer	41603240	2.68
				24-May-19	61645	Transfer	41664885	2.68
				31-May-19	-92062	Transfer	41572823	2.68
				07-Jun-19	829860	Transfer	42402683	2.73
				14-Jun-19	64395	Transfer	42467078	2.74
				21-Jun-19	204960	Transfer	42672038	2.75
				05-Jul-19	33277	Transfer	42705315	2.75
				12-Jul-19	324496	Transfer	43029811	2.77
				19-Jul-19	-20990	Transfer	43008821	2.17
				26-Jul-19	-297457	Transfer	42711364	2.15
				02-Aug-19	333577	Transfer	43044941	2.17
				09-Aug-19	833091	Transfer	43878032	2.21
				16-Aug-19	564910	Transfer	44442942	2.24
				23-Aug-19	59127	Transfer	44502069	2.24
				30-Aug-19	468392	Transfer	44970461	2.26
				06-Sep-19	-2470883	Transfer	42499578	2.14
				13-Sep-19	-256070	Transfer	42243508	2.13
				20-Sep-19	-150657	Transfer	42092851	2.12
				27-Sep-19	-238175	Transfer	41854676	2.11
				30-Sep-19	-5072	Transfer	41849604	2.11
				04-Oct-19	-300599	Transfer	41549005	2.09
				11-Oct-19	93648	Transfer	41642653	2.10
				18-Oct-19	498305	Transfer	42140958	2.12
				25-Oct-19	931980	Transfer	43072938	2.17
				01-Nov-19	-5199	Transfer	43067739	2.17

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				08-Nov-19	14409	Transfer	43082148	2.17
				15-Nov-19	82383	Transfer	43164531	2.17
				22-Nov-19	-2150	Transfer	43162381	2.17
				29-Nov-19	-64649	Transfer	43097732	2.17
				06-Dec-19	-403943	Transfer	42693789	2.15
				13-Dec-19	-2730	Transfer	42691059	2.15
				20-Dec-19	58778	Transfer	42749837	2.15
				31-Dec-19	-118751	Transfer	42631086	2.15
		Total as on 31.12.2019					**42631086**	**2.15**
3.	**ABU DHABI INVESTMENT AUTHORITY / JHELUM**	22749465	1.15	01-Jan -19			22749465	1.15
				22-Mar-19	-570000	Transfer	22179465	1.12
				29-Mar-19	-6580198	Transfer	15599267	0.79
				05-Apr-19	2644300	Transfer	18243567	0.92
				12-Apr-19	563645	Transfer	18807212	0.95
				26-Apr-19	-47744	Transfer	18759468	0.94
				24-May-19	-3578832	Transfer	15180636	0.76
				31-May-19	-90704	Transfer	15089932	0.76
				29-Jun-19	23794	Transfer	15113726	0.76
				19-Jul-19	-489447	Transfer	14624279	0.74
				02-Aug-19	-6167392	Transfer	8456887	0.43
				09-Aug-19	-3232608	Transfer	5224279	0.26
				04-Oct-19	-95626	Transfer	5128653	0.26
				11-Oct-19	-9100	Transfer	5119553	0.26
				18-Oct-19	-4914	Transfer	5114639	0.26
				25-Oct-19	-4915	Transfer	5109724	0.26
				15-Nov-19	-201529	Transfer	4908195	0.25
				22-Nov-19	386274	Transfer	5294469	0.27
				29-Nov-19	986000	Transfer	6280469	0.32
		Total as on 31.12.2019					**6280469**	**0.32**
4.	**HDFC TRUSTEE COMPANY LIMITED / HDFC TOP 200 FUND**	19571911	0.99	01-Jan -19			19571911	0.99
				04-Jan-19	-228000	Transfer	19343911	0.97
				11-Jan-19	-341200	Transfer	19002711	0.96
				01-Feb-19	-537500	Transfer	18465211	0.93
				08-Feb-19	-405000	Transfer	18060211	0.91
				15-Mar-19	-625000	Transfer	17435211	0.88
				05-Apr-19	-1100	Transfer	17434111	0.88
				12-Apr-19	27260	Transfer	17461371	0.88
				24-May-19	-780	Transfer	17460591	0.88
				14-Jun-19	-27500	Transfer	17433091	0.88
				21-Jun-19	7500	Transfer	17440591	0.88
				19-Jul-19	22500	Transfer	17463091	0.88
				09-Aug-19	30000	Transfer	17493091	0.88
				23-Aug-19	-500000	Transfer	16993091	0.86
				30-Aug-19	-54000	Transfer	16939091	0.85
				06-Sep-19	262500	Transfer	17201591	0.87
				13-Sep-19	-578554	Transfer	16623037	0.84
				20-Sep-19	529000	Transfer	17152037	0.86
				18-Oct-19	357000	Transfer	17509037	0.88
				25-Oct-19	355000	Transfer	17864037	0.90
				01-Nov-19	2954000	Transfer	20818037	1.05
				08-Nov-19	3138000	Transfer	23956037	1.21
				15-Nov-19	1500000	Transfer	25456037	1.28

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				22-Nov-19	800000	Transfer	26256037	1.32
				29-Nov-19	1044773	Transfer	27300810	1.37
				06-Dec-19	4931500	Transfer	32232310	1.62
				13-Dec-19	2650000	Transfer	34882310	1.76
				20-Dec-19	2861000	Transfer	37743310	1.90
				27-Dec-19	1714747	Transfer	39458057	1.99
				31-Dec-19	1000253	Transfer	40458310	2.04
		Total as on 31.12.2019					**40458310**	**2.04**
5.	**NPS TRUST/ A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME / STATE GOVT**	16990289	0.86	01-Jan -19			16990289	0.86
				04-Jan-19	47327	Transfer	17037616	0.86
				11-Jan-19	180305	Transfer	17217921	0.87
				18-Jan-19	34029	Transfer	17251950	0.87
				25-Jan-19	92657	Transfer	17344607	0.87
				01-Feb-19	33664	Transfer	17378271	0.88
				08-Feb-19	4491	Transfer	17382762	0.88
				15-Feb-19	1888	Transfer	17384650	0.88
				22-Feb-19	408488	Transfer	17793138	0.90
				01-Mar-19	7300	Transfer	17800438	0.90
				08-Mar-19	3494	Transfer	17803932	0.90
				15-Mar-19	1780	Transfer	17805712	0.90
				22-Mar-19	5009	Transfer	17810721	0.90
				29-Mar-19	2446	Transfer	17813167	0.90
				05-Apr-19	52755	Transfer	17865922	0.90
				12-Apr-19	56959	Transfer	17922881	0.90
				19-Apr-19	48450	Transfer	17971331	0.91
				26-Apr-19	49100	Transfer	18020431	0.91
				03-May-19	3480	Transfer	18023911	0.91
				10-May-19	-71383	Transfer	17952528	0.90
				17-May-19	214000	Transfer	18166528	0.91
				24-May-19	94000	Transfer	18260528	0.92
				31-May-19	6740	Transfer	18267268	0.92
				21-Jun-19	65150	Transfer	18332418	0.92
				29-Jun-19	750	Transfer	18333168	0.92
				05-Jul-19	250	Transfer	18333418	0.92
				12-Jul-19	54328	Transfer	18387746	0.93
				26-Jul-19	189172	Transfer	18576918	0.94
				02-Aug-19	60900	Transfer	18637818	0.94
				09-Aug-19	122050	Transfer	18759868	0.94
				16-Aug-19	5826	Transfer	18765694	0.95
				06-Sep-19	24500	Transfer	18790194	0.95
				27-Sep-19	4361	Transfer	18794555	0.95
				11-Oct-19	69800	Transfer	18864355	0.95
				25-Oct-19	200	Transfer	18864555	0.95
				08-Nov-19	-140509	Transfer	18724046	0.94
				13-Dec-19	478	Transfer	18724524	0.94
				27-Dec-19	81300	Transfer	18805824	0.95
		Total as on 31.12.2019					**18805824**	**0.95**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
6.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	12846284	0.65	01-Jan-19			12846284	0.65
				01-Feb-19	72442	Transfer	12918726	0.65
				08-Feb-19	204909	Transfer	13123635	0.66
				15-Feb-19	26156	Transfer	13149791	0.66
				29-Mar-19	28727	Transfer	13178518	0.66
				12-Apr-19	28727	Transfer	13207245	0.67
				10-May-19	29976	Transfer	13237221	0.67
				21-Jun-19	-67446	Transfer	13169775	0.66
				29-Jun-19	-802250	Transfer	12367525	0.62
				27-Sep-19	-277662	Transfer	12089863	0.61
				27-Dec-19	-397173	Transfer	11692690	0.59
		Total as on 31.12.2019					**11692690**	**0.59**
7.	THE NEW INDIA ASSURANCE COMPANY LIMITED	12614069	0.64	01-Jan-19			12614069	0.64
				11-Jan-19	215674	Transfer	12829743	0.65
				18-Jan-19	284326	Transfer	13114069	0.66
				22-Feb-19	689377	Transfer	13803446	0.70
				01-Mar-19	253059	Transfer	14056505	0.71
				17-May-19	130000	Transfer	14186505	0.71
				24-May-19	144673	Transfer	14331178	0.72
				16-Jun-19	165000	Transfer	14496178	0.73
				21-Jun-19	320000	Transfer	14816178	0.75
				29-Jun-19	165000	Transfer	14981178	0.75
				05-Jul-19	65000	Transfer	15046178	0.76
				12-Jul-19	150000	Transfer	15196178	0.77
				19-Jul-19	85000	Transfer	15281178	0.77
				09-Aug-19	60000	Transfer	15341178	0.77
				16-Aug-19	110000	Transfer	15451178	0.78
				23-Aug-19	70000	Transfer	15521178	0.78
				30-Aug-19	60000	Transfer	15581178	0.78
				04-Oct-19	40000	Transfer	15621178	0.79
				11-Oct-19	120000	Transfer	15741178	0.79
				18-Oct-19	200000	Transfer	15941178	0.80
				25-Oct-19	40000	Transfer	15981178	0.80
				08-Nov-19	160000	Transfer	16141178	0.81
				15-Nov-19	190000	Transfer	16331178	0.82
				22-Nov-19	50000	Transfer	16381178	0.82
		Total as on 31.12.2019					**16381178**	**0.82**
8.	VANGUARD TOTAL	11807739	0.59	01-Jan-19			11807739	0.59
				25-Jan-19	124734	Transfer	11932473	0.60
				01-Feb-19	75639	Transfer	12008112	0.60
				05-Apr-19	148606	Transfer	12156718	0.61
				26-Apr-19	-319779	Transfer	11836939	0.60
				10-May-19	160040	Transfer	11996979	0.60
				31-May-19	265780	Transfer	12262759	0.62
				09-Aug-19	207806	Transfer	12470565	0.63
				23-Aug-19	349650	Transfer	12820215	0.65
		Total as on 31.12.2019					**12820215**	**0.65**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
9.	**IDFC PREMIER EQUITY FUND**	11504757	0.58	01-Jan-19			11504757	0.58
				04-Jan-19	-17000	Transfer	11487757	0.58
				11-Jan-19	-2752855	Transfer	8734902	0.44
				18-Jan-19	-98224	Transfer	8636678	0.43
				25-Jan-19	-408681	Transfer	8227997	0.41
				01-Feb-19	-1962240	Transfer	6265757	0.32
				08-Feb-19	-180000	Transfer	6085757	0.31
				01-Mar-19	-275500	Transfer	5810257	0.29
				08-Mar-19	142147	Transfer	5952404	0.30
				15-Mar-19	-215000	Transfer	5737404	0.29
				05-Apr-19	-100000	Transfer	5637404	0.28
				12-Apr-19	15000	Transfer	5652404	0.28
				26-Apr-19	-15000	Transfer	5637404	0.28
				03-May-19	56841	Transfer	5694245	0.29
				31-May-19	-200000	Transfer	5494245	0.28
				07-Jun-19	588979	Transfer	6083224	0.31
				21-Jun-19	100000	Transfer	6183224	0.31
				29-Jun-19	-200000	Transfer	5983224	0.30
				05-Jul-19	-100000	Transfer	5883224	0.30
				12-Jul-19	-150000	Transfer	5733224	0.29
				26-Jul-19	200000	Transfer	5933224	0.30
				02-Aug-19	25000	Transfer	5958224	0.30
				09-Aug-19	34250	Transfer	5992474	0.30
				16-Aug-19	-194615	Transfer	5797859	0.29
				23-Aug-19	-234585	Transfer	5563274	0.28
				30-Aug-19	-500000	Transfer	5063274	0.25
				06-Sep-19	-500000	Transfer	4563274	0.23
				20-Sep-19	-300000	Transfer	4263274	0.21
				27-Sep-19	-544632	Transfer	3718642	0.19
		Total as on 31.12.2019					**3718642**	**0.19**
10.	**DEUTSCHE BANK TRUST COMPANY AMERICAS**	10723773	0.54	01-Jan-19			10723773	0.54
				29-Mar-19	-314166	Transfer	10409607	0.52
				05-Apr-19	2891	Transfer	10412498	0.52
				17-May-19	-500000	Transfer	9912498	0.50
				14-Jun-19	-250000	Transfer	9662498	0.49
				26-Jul-19	-49160	Transfer	9613338	0.48
				01-Nov-19	127860	Transfer	9741198	0.49
				20-Dec-19	-1131409	Transfer	8609789	0.43
		Total as on 31.12.2019					**8609789**	**0.43**
11.	**GENERAL INSURANCE CORPORATION OF INDIA**	10600000	0.53	01-Jan-19			10600000	0.53
				29-Mar-19	-300000	Transfer	10300000	0.52
				11-Oct-19	180000	Transfer	10480000	0.53
				18-Oct-19	350000	Transfer	10830000	0.55
		Total as on 31.12.2019					**10830000**	**0.55**
12.	**SBI MAGNUM TAXGAIN SCHEME**	10543131	0.53	01-Jan-19			10543131	0.53
				04-Jan-19	2511	Transfer	10545642	0.53
				18-Jan-19	623	Transfer	10546265	0.53
				01-Feb-19	311	Transfer	10546576	0.53
				08-Feb-19	-325332	Transfer	10221244	0.51
				15-Feb-19	20799	Transfer	10242043	0.52

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				22-Feb-19	660	Transfer	10242703	0.52
				01-Mar-19	13889	Transfer	10256592	0.52
				08-Mar-19	3154	Transfer	10259746	0.52
				15-Mar-19	5995986	Transfer	16255732	0.82
				22-Mar-19	-441536	Transfer	15814196	0.80
				29-Mar-19	429549	Transfer	16243745	0.82
				05-Apr-19	-154978	Transfer	16088767	0.81
				12-Apr-19	8713	Transfer	16097480	0.81
				19-Apr-19	6847	Transfer	16104327	0.81
				26-Apr-19	8548	Transfer	16112875	0.81
				03-May-19	858419	Transfer	16971294	0.85
				10-May-19	19185	Transfer	16990479	0.86
				17-May-19	27562	Transfer	17018041	0.86
				24-May-19	11218	Transfer	17029259	0.86
				31-May-19	6827	Transfer	17036086	0.86
				07-Jun-19	25708	Transfer	17061794	0.86
				14-Jun-19	1315456	Transfer	18377250	0.93
				21-Jun-19	10916	Transfer	18388166	0.93
				29-Jun-19	38281	Transfer	18426447	0.93
				05-Jul-19	38781	Transfer	18465228	0.93
				12-Jul-19	27869	Transfer	18493097	0.93
				19-Jul-19	14324	Transfer	18507421	0.93
				26-Jul-19	19939	Transfer	18527360	0.93
				02-Aug-19	580602	Transfer	19107962	0.96
				09-Aug-19	11454	Transfer	19119416	0.96
				16-Aug-19	10106	Transfer	19129522	0.96
				23-Aug-19	15626	Transfer	19145148	0.96
				30-Aug-19	17855	Transfer	19163003	0.97
				06-Sep-19	490862	Transfer	19653865	0.99
				13-Sep-19	14580	Transfer	19668445	0.99
				20-Sep-19	25548	Transfer	19693993	0.99
				27-Sep-19	601236	Transfer	20295229	1.02
				30-Sep-19	502671	Transfer	20797900	1.05
				04-Oct-19	9896	Transfer	20807796	1.05
				11-Oct-19	14017	Transfer	20821813	1.05
				18-Oct-19	10812	Transfer	20832625	1.05
				25-Oct-19	4	Transfer	20832629	1.05
				01-Nov-19	557	Transfer	20833186	1.05
				08-Nov-19	144	Transfer	20833330	1.05
				15-Nov-19	-9701	Transfer	20823629	1.05
				22-Nov-19	-12369	Transfer	20811260	1.05
				29-Nov-19	169	Transfer	20811429	1.05
				06-Dec-19	104	Transfer	20811533	1.05
				13-Dec-19	1655	Transfer	20813188	1.05
				20-Dec-19	2624	Transfer	20815812	1.05
				27-Dec-19	-7930	Transfer	20807882	1.05
				31-Dec-19	-87	Transfer	20807795	1.05
		Total as on 31.12.2019					**20807795**	**1.05**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
13.	CITY OF NEW YORK GROUP TRUST	9246748	0.47	01-Jan-19			9246748	0.47
				26-Apr-19	60323	Transfer	9307071	0.47
				31-May-19	-57036	Transfer	9250035	0.47
				09-Aug-19	357690	Transfer	9607725	0.48
				16-Aug-19	684110	Transfer	10291835	0.52
				23-Aug-19	177730	Transfer	10469565	0.53
				30-Aug-19	-36786	Transfer	10432779	0.53
				06-Sep-19	-938227	Transfer	9494552	0.48
				13-Sep-19	3856	Transfer	9498408	0.48
				20-Sep-19	8163	Transfer	9506571	0.48
				01-Nov-19	-129127	Transfer	9377444	0.47
		Total as on 31.12.2019					**9377444**	**0.47**
14.	JP MORGAN SICAV INVESTMENT COMPANY (MAURITIUS) LIMITED	8192134	0.41	01-Jan-19			8192134	0.41
				14-Jun-19	-826126	Transfer	7366008	0.37
				21-Jun-19	-510629	Transfer	6855379	0.35
				30-Aug-19	-1900000	Transfer	4955379	0.25
				06-Sep-19	-300000	Transfer	4655379	0.23
		Total as on 31.12.2019					**4655379**	**0.23**
15.	JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED	8017559	0.40	01-Jan-19			8017559	0.40
				30-Aug-19	-900000	Transfer	7117559	0.36
				15-Nov-19	-1300000	Transfer	5817559	0.29
		Total as on 31.12.2019					**8017559**	**0.40**
16.	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	7881513	0.40	01-Jan-19			7881513	0.40
				18-Jan-19	24250	Transfer	7905763	0.40
				22-Feb-19	-665925	Transfer	7239838	0.36
				01-Mar-19	662	Transfer	7240500	0.36
				08-Mar-19	-1145930	Transfer	6094570	0.31
				15-Mar-19	-1704339	Transfer	4390231	0.22
				22-Mar-19	-733820	Transfer	3656411	0.18
				29-Mar-19	217400	Transfer	3873811	0.20
				12-Apr-19	333500	Transfer	4207311	0.21
				26-Apr-19	-224172	Transfer	3983139	0.20
				03-May-19	-232690	Transfer	3750449	0.19
				10-May-19	-1237920	Transfer	2512529	0.13
				17-May-19	-218750	Transfer	2293779	0.12
				24-May-19	316280	Transfer	2610059	0.13
				31-May-19	-3830	Transfer	2606229	0.13
				05-Jul-19	227590	Transfer	2833819	0.14
				16-Aug-19	311280	Transfer	3145099	0.16
				06-Sep-19	282560	Transfer	3427659	0.17
				20-Sep-19	-136080	Transfer	3291579	0.17
				27-Sep-19	-473990	Transfer	2817589	0.14
				11-Oct-19	405060	Transfer	3222649	0.16
				18-Oct-19	246750	Transfer	3469399	0.17
				25-Oct-19	-229180	Transfer	3240219	0.16
				01-Nov-19	540800	Transfer	3781019	0.19
				06-Dec-19	-313990	Transfer	3467029	0.17
		Total as on 31.12.2019					**3467029**	**0.17**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
17.	**UTI/MNC FUND**	6269845	0.32	01-Jan-19			6269845	0.32
				04-Jan-19	5306	Transfer	6275151	0.32
				11-Jan-19	4054	Transfer	6279205	0.32
				18-Jan-19	308	Transfer	6279513	0.32
				25-Jan-19	2659	Transfer	6282172	0.32
				01-Feb-19	4368	Transfer	6286540	0.32
				08-Feb-19	1872	Transfer	6288412	0.32
				15-Feb-19	5624	Transfer	6294036	0.32
				22-Feb-19	7509	Transfer	6301545	0.32
				01-Mar-19	6902	Transfer	6308447	0.32
				08-Mar-19	-2504	Transfer	6305943	0.32
				15-Mar-19	-16506	Transfer	6289437	0.32
				22-Mar-19	5618	Transfer	6295055	0.32
				29-Mar-19	-881	Transfer	6294174	0.32
				05-Apr-19	12234	Transfer	6306408	0.32
				12-Apr-19	14275	Transfer	6320683	0.32
				19-Apr-19	1149	Transfer	6321832	0.32
				26-Apr-19	12814	Transfer	6334646	0.32
				03-May-19	-31896	Transfer	6302750	0.32
				10-May-19	18891	Transfer	6321641	0.32
				17-May-19	32182	Transfer	6353823	0.32
				24-May-19	22589	Transfer	6376412	0.32
				31-May-19	11785	Transfer	6388197	0.32
				07-Jun-19	31140	Transfer	6419337	0.32
				14-Jun-19	-18682	Transfer	6400655	0.32
				21-Jun-19	23663	Transfer	6424318	0.32
				29-Jun-19	-34296	Transfer	6390022	0.32
				05-Jul-19	22546	Transfer	6412568	0.32
				12-Jul-19	38364	Transfer	6450932	0.32
				19-Jul-19	9419	Transfer	6460351	0.33
				26-Jul-19	34132	Transfer	6494483	0.33
				02-Aug-19	177093	Transfer	6671576	0.34
				09-Aug-19	8328	Transfer	6679904	0.34
				16-Aug-19	-171206	Transfer	6508698	0.33
				23-Aug-19	29714	Transfer	6538412	0.33
				30-Aug-19	23564	Transfer	6561976	0.33
				06-Sep-19	8621	Transfer	6570597	0.33
				13-Sep-19	11226	Transfer	6581823	0.33
				20-Sep-19	-98601	Transfer	6483222	0.33
				27-Sep-19	147640	Transfer	6630862	0.33
				30-Sep-19	13851	Transfer	6644713	0.33
				04-Oct-19	55769	Transfer	6700482	0.34
				11-Oct-19	20115	Transfer	6720597	0.34
				18-Oct-19	9438	Transfer	6730035	0.34
				25-Oct-19	-115409	Transfer	6614626	0.33
				01-Nov-19	46994	Transfer	6661620	0.34
				08-Nov-19	89529	Transfer	6751149	0.34
				15-Nov-19	76540	Transfer	6827689	0.34
				22-Nov-19	73088	Transfer	6900777	0.35
				29-Nov-19	-24	Transfer	6900753	0.35
				06-Dec-19	4613	Transfer	6905366	0.35

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				13-Dec-19	94243	Transfer	6999609	0.35
				20-Dec-19	-222	Transfer	6999387	0.35
				27-Dec-19	-21050	Transfer	6978337	0.35
				31-Dec-19	3695	Transfer	6982032	0.35
		Total as on 31.12.2019					**6982032**	**0.35**
18.	**ISHARES INDIA INDEX MAURITIUS COMPANY**	6218554	0.31	01-Jan-19			6218554	0.31
				25-Jan-19	-8701	Transfer	6209853	0.31
				01-Mar-19	-47556	Transfer	6162297	0.31
				08-Mar-19	13002	Transfer	6175299	0.31
				22-Mar-19	19503	Transfer	6194802	0.31
				29-Mar-19	-7567	Transfer	6187235	0.31
				05-Apr-19	-8341	Transfer	6178894	0.31
				12-Apr-19	-7545	Transfer	6171349	0.31
				19-Apr-19	-21236	Transfer	6150113	0.31
				26-Apr-19	-69877	Transfer	6080236	0.31
				17-May-19	19681	Transfer	6099917	0.31
				24-May-19	40546	Transfer	6140463	0.31
				31-May-19	157390	Transfer	6297853	0.32
				07-Jun-19	55276	Transfer	6353129	0.32
				29-Jun-19	44331	Transfer	6397460	0.32
				05-Jul-19	46442	Transfer	6443902	0.32
				12-Jul-19	16888	Transfer	6460790	0.33
				19-Jul-19	12073	Transfer	6472863	0.33
				02-Aug-19	15528	Transfer	6488391	0.33
				09-Aug-19	-42204	Transfer	6446187	0.32
				23-Aug-19	-21230	Transfer	6424957	0.32
				30-Aug-19	-88365	Transfer	6336592	0.32
				04-Oct-19	-16102	Transfer	6320490	0.32
				18-Oct-19	-54240	Transfer	6266250	0.32
				01-Nov-19	41400	Transfer	6307650	0.32
				08-Nov-19	11684	Transfer	6319334	0.32
				15-Nov-19	64077	Transfer	6383411	0.32
				22-Nov-19	35139	Transfer	6418550	0.32
				29-Nov-19	-353428	Transfer	6065122	0.31
				06-Dec-19	27319	Transfer	6092441	0.31
				20-Dec-19	-9130	Transfer	6083311	0.31
				27-Dec-19	51794	Transfer	6135105	0.31
				31-Dec-19	15528	Transfer	6150633	0.31
		Total as on 31.12.2019					**6150633**	**0.31**
19.	**JPMORGAN INDIA FUND**	5867884	0.30	01-Jan-19			5867884	0.30
				30-Aug-19	-800000	Transfer	5067884	0.26
				08-Nov-19	-1000000	Transfer	4067884	0.20
		Total as on 31.12.2019					**4067884**	**0.20**
20.	**PEOPLE'S BANK OF CHINA**	4676035	0.24	01-Jan -19			4676035	0.24
				04-Jan-19	6815	Transfer	4682850	0.24
				11-Jan-19	34464	Transfer	4717314	0.24
				18-Jan-19	34622	Transfer	4751936	0.24
				25-Jan-19	35868	Transfer	4787804	0.24
				01-Feb-19	28201	Transfer	4816005	0.24
				08-Feb-19	35432	Transfer	4851437	0.24
				15-Feb-19	34708	Transfer	4886145	0.25

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				22-Feb-19	35646	Transfer	4921791	0.25
				01-Mar-19	30015	Transfer	4951806	0.25
				08-Mar-19	40741	Transfer	4992547	0.25
				15-Mar-19	46707	Transfer	5039254	0.25
				22-Mar-19	34766	Transfer	5074020	0.26
				29-Mar-19	26060	Transfer	5100080	0.26
				05-Apr-19	25310	Transfer	5125390	0.26
				12-Apr-19	53793	Transfer	5179183	0.26
				19-Apr-19	17205	Transfer	5196388	0.26
				26-Apr-19	16912	Transfer	5213300	0.26
				03-May-19	12520	Transfer	5225820	0.26
				10-May-19	34250	Transfer	5260070	0.26
				17-May-19	50655	Transfer	5310725	0.27
				24-May-19	19681	Transfer	5330406	0.27
				31-May-19	-82040	Transfer	5248366	0.26
				14-Jun-19	15258	Transfer	5263624	0.27
				21-Jun-19	12659	Transfer	5276283	0.27
				29-Jun-19	34451	Transfer	5310734	0.27
				05-Jul-19	51264	Transfer	5361998	0.27
				12-Jul-19	48961	Transfer	5410959	0.27
				19-Jul-19	77087	Transfer	5488046	0.28
				26-Jul-19	70733	Transfer	5558779	0.28
				02-Aug-19	51684	Transfer	5610463	0.28
				09-Aug-19	55931	Transfer	5666394	0.29
				16-Aug-19	32631	Transfer	5699025	0.29
				23-Aug-19	60347	Transfer	5759372	0.29
				30-Aug-19	39808	Transfer	5799180	0.29
				06-Sep-19	81556	Transfer	5880736	0.30
				13-Sep-19	81190	Transfer	5961926	0.30
				20-Sep-19	51516	Transfer	6013442	0.30
				27-Sep-19	5381	Transfer	6018823	0.30
				30-Sep-19	41584	Transfer	6060407	0.31
				11-Oct-19	77617	Transfer	6138024	0.31
				01-Nov-19	38460	Transfer	6176484	0.31
				08-Nov-19	22325	Transfer	6198809	0.31
				15-Nov-19	22666	Transfer	6221475	0.31
				29-Nov-19	-84724	Transfer	6136751	0.31
				13-Dec-19	26561	Transfer	6163312	0.31
				20-Dec-19	17330	Transfer	6180642	0.31
				27-Dec-19	63440	Transfer	6244082	0.31
				31-Dec-19	36258	Transfer	6280340	0.32
		Total as on 31.12.2019					**6280340**	**0.32**
21.	**ABERDEEN GLOBAL INDIAN EQUITY LIMITED**	4455787	0.22	01-Jan -19			4455787	0.22
		Total as on 31.12.2019					4455787	0.22
22.	**RELIANCE CAPITAL TRUSTEE CO. LTD. / A/C RELIANCE TAX SAVER (ELSS) FUND**	2536658	0.13	01-Jan -19			2536658	0.13
				04-Jan-19	-3343	Transfer	2533315	0.13
				11-Jan-19	-1032339	Transfer	1500976	0.08
				08-Mar-19	-150000	Transfer	1350976	0.07
				29-Mar-19	-9	Transfer	1350967	0.07
				05-Apr-19	2362500	Transfer	3713467	0.19
				12-Apr-19	3522500	Transfer	7235967	0.36

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				19-Apr-19	-7500	Transfer	7228467	0.36
				26-Apr-19	-25003	Transfer	7203464	0.36
				03-May-19	137500	Transfer	7340964	0.37
				10-May-19	-60000	Transfer	7280964	0.37
				17-May-19	27500	Transfer	7308464	0.37
				24-May-19	-927503	Transfer	6380961	0.32
				31-May-19	-1030000	Transfer	5350961	0.27
				07-Jun-19	-75000	Transfer	5275961	0.27
				14-Jun-19	-707500	Transfer	4568461	0.23
				21-Jun-19	-35000	Transfer	4533461	0.23
				29-Jun-19	-2522509	Transfer	2010952	0.10
				26-Jul-19	-57501	Transfer	1953451	0.10
				02-Aug-19	239614	Transfer	2193065	0.11
				09-Aug-19	653515	Transfer	2846580	0.14
				16-Aug-19	-1383239	Transfer	1463341	0.07
				23-Aug-19	-1320	Transfer	1462021	0.07
				30-Aug-19	382475	Transfer	1844496	0.09
				06-Sep-19	52072	Transfer	1896568	0.10
				13-Sep-19	49144	Transfer	1945712	0.10
				20-Sep-19	2072	Transfer	1947784	0.10
				27-Sep-19	81339	Transfer	2029123	0.10
				30-Sep-19	12573	Transfer	2041696	0.10
				04-Oct-19	7013	Transfer	2048709	0.10
				11-Oct-19	-52906	Transfer	1995803	0.10
				18-Oct-19	2788	Transfer	1998591	0.10
				25-Oct-19	-4320	Transfer	1994271	0.10
				01-Nov-19	-19872	Transfer	1974399	0.10
				08-Nov-19	106125	Transfer	2080524	0.10
				15-Nov-19	13003	Transfer	2093527	0.11
				22-Nov-19	-62499	Transfer	2031028	0.10
				29-Nov-19	87783	Transfer	2118811	0.11
				06-Dec-19	51939	Transfer	2170750	0.11
				13-Dec-19	12359	Transfer	2183109	0.11
				20-Dec-19	3113	Transfer	2186222	0.11
				27-Dec-19	-17737	Transfer	2168485	0.11
				31-Dec-19	4857	Transfer	2173342	0.11
		Total as on 31.12.2019					**2173342**	**0.11**
23.	**THE INDIA FUND INC**	1821000	0.09	01-Jan -19			1821000	0.09
				29-Jun-19	-414000	Transfer	1407000	0.07
		Total as on 31.12.2019					**1407000**	**0.07**
24.	**NOMURA INDIA INVESTMENT FUND MOTHER FUND**	23954423	1.21	01-Jan -19			23954423	1.21
				04-Jan-19	1500000	Transfer	25454423	1.28
				15-Mar-19	-900000	Transfer	24554423	1.24
				26-Apr-19	500000	Transfer	25054423	1.26
				03-May-19	-250000	Transfer	24804423	1.25
				31-May-19	-300000	Transfer	24504423	1.23
				16-Aug-19	-1300000	Transfer	23204423	1.17
				08-Nov-19	-1600000	Transfer	21604423	1.09
				06-Dec-19	-2250000	Transfer	19354423	0.97
		Total as on 31.12.2019					**19354423**	**0.97**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
25.	**AMUNDI FUNDS SBI FM EQUITY INDIA**	0	0.00	01-Jan -19			0	0.00
				17-05-2019	951733	Transfer	951733	0.05
				24-05-2019	2870910	Transfer	3822643	0.19
				31-05-2019	3414604	Transfer	7237247	0.36
				21-06-2019	1069452	Transfer	8306699	0.42
				29-06-2019	1825301	Transfer	10132000	0.51
				22-11-2019	245762	Transfer	10377762	0.52
				29-11-2019	2584238	Transfer	12962000	0.65
		Total as on 31.12.2019					**12962000**	**0.65**
26.	**MONETARY AUTHORITY OF SINGAPORE**	7459307	0.38	01-Jan -19			7459307	0.38
				11-01-2019	-135005	Transfer	7324302	0.37
				18-01-2019	-49942	Transfer	7274360	0.37
				01-03-2019	154325	Transfer	7428685	0.37
				08-03-2019	122324	Transfer	7551009	0.38
				15-03-2019	612047	Transfer	8163056	0.41
				22-03-2019	390332	Transfer	8553388	0.43
				29-03-2019	926586	Transfer	9479974	0.48
				05-04-2019	466189	Transfer	9946163	0.50
				12-04-2019	553681	Transfer	10499844	0.53
				19-04-2019	92866	Transfer	10592710	0.53
				26-04-2019	64557	Transfer	10657267	0.54
				03-05-2019	201103	Transfer	10858370	0.55
				10-05-2019	-2327	Transfer	10856043	0.55
				17-05-2019	-5541	Transfer	10850502	0.55
				24-05-2019	-3078	Transfer	10847424	0.55
				31-05-2019	-33946	Transfer	10813478	0.54
				07-06-2019	-831	Transfer	10812647	0.54
				14-06-2019	184563	Transfer	10997210	0.55
				12-07-2019	624513	Transfer	11621723	0.59
				26-07-2019	11649	Transfer	11633372	0.59
				02-08-2019	773648	Transfer	12407020	0.62
				09-08-2019	481252	Transfer	12888272	0.65
				16-08-2019	333358	Transfer	13221630	0.67
				23-08-2019	180462	Transfer	13402092	0.67
				30-08-2019	19370	Transfer	13421462	0.68
				06-09-2019	-1020893	Transfer	12400569	0.62
				13-09-2019	-304296	Transfer	12096273	0.61
				20-09-2019	-178862	Transfer	11917411	0.60
				27-09-2019	-279734	Transfer	11637677	0.59
				30-09-2019	-32006	Transfer	11605671	0.58
				04-10-2019	-109296	Transfer	11496375	0.58
				11-10-2019	-2028	Transfer	11494347	0.58
				18-10-2019	160402	Transfer	11654749	0.59
				25-10-2019	321646	Transfer	11976395	0.60
				01-11-2019	-3000	Transfer	11973395	0.60
				08-11-2019	-1577	Transfer	11971818	0.60
				15-11-2019	-1381	Transfer	11970437	0.60
				22-11-2019	-1169	Transfer	11969268	0.60
				29-11-2019	-153704	Transfer	11815564	0.60
				13-12-2019	-4861	Transfer	11810703	0.59
				20-12-2019	-4709	Transfer	11805994	0.59
				31-12-2019	-2807	Transfer	11803187	0.59
		Total as on 31.12.2019					**11803187**	**0.59**

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 1st January, 2019		Shareholding at the end of the year - 31st December, 2019	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. N.S. Sekhsaria	1000	-	1000	-
2.	Mr. Rajiv Gandhi	2000	-	2000	-

V. INDEBTEDNESS

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

(₹ In Crores)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.01.2019 (1)				
1) Principal Amount	39.68			39.68
2) Interest due but not paid	0.00			0.00
3) Interest accrued but not due	0.00			0.00
Total of (1+2+3)	**39.68**			**39.68**
Change in Indebtedness during the financial year				
Addition (1)	1.38	0.00	0.00	1.38
Reduction(1)	-	0.00	0.00	-
Net change	1.38	0.00	0.00	1.38
Indebtedness at the end of the financial year / 31.12.2019	41.06	0.00	0.00	41.06
1) Principal Amount	41.06	0.00	0.00	41.06
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	0.00	0.00	0.00	0.00
Total of (1+2+3)	**41.06**	**0.00**	**0.00**	**41.06**

(1) The above includes interest free loans under sales tax department schemes from State Government of Rs.35.28 Crore as disclosed in Note 26 and current maturities of these borrowings of Rs.5.78 Cores as disclosed under Note 34 of the standalone financial statements which is recognised at fair value in the books and addition is on account of effect of unwinding charges.

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr. Ajay Kapur (upto 28th February, 2019)	Mr. Bimlendra Jha (w.e.f. 1st March, 2019)
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act[1]	353.90	424.59
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.22	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - As % of Profit - Others, specify		

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr. Ajay Kapur (upto 28th February, 2019)	Mr. Bimlendra Jha (w.e.f. 1st March, 2019)
5.	Others :- (a) Provident Fund & other Funds	334.72	24.42
	(b) Performance Bonus[2]	29.66	
	(c) Joining Bonus[3]		200.00
	Total (A)	**718.50**	**649.01**
	Ceiling as per the Act	5% of the net profits of the Company	

Note:

1. The Salary of Mr. Ajay includes leave encashment of ₹ 251.48 Lacs.
2. The performance bonus mentioned above in case of Mr. Ajay Kapur is for FY 2018 paid in FY 2019.
3. The total amount in case of Mr. Bimlendra Jha, MD & CEO includes the joining bonus of ₹ 2 Crores paid at the time of joining the Company.

B. Remuneration of other Directors:

1. Independent Directors:-

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. N. Munjee	Mr. R. Chitale	Mr. S. Haribhakti	Dr. O. Goswami	Mr. H. Khaitan	Ms. Shikha Sharma	
Fee for attending board committee meetings	5.40	8.90	6.20	4.90	1.10	3.50	30.00
Commission	36.00	45.00	36.00	36.00	8.87	27.12	188.99
Others	Nil	Nil	Nil	Nil	Nil	Nil	-
Total (1)	**41.40**	**53.90**	**42.20**	**40.90**	**9.97**	**30.62**	**218.99**

2. Other Non-Executive Directors:-

(₹ In Lakhs)

Other Non-Executive Directors	Mr. N. Sekhsaria	Mr. J. Jenisch	Mr. C. Hassig	Mr. M. Kriegner[(1)]	Mr. R. Kohler	Ms. Then Hwee Tan	Total Amount
Fee for attending board committee meetings	3.40	2.00	2.00	Nil	2.00	3.40	14.80
Commission	50.00	20.00	20.00	Nil	20.00	31.26	141.26
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2A)	**53.40**	**22.00**	**22.00**	**Nil**	**22.00**	**34.66**	**156.06**

Other Non-Executive Directors	Mr. M.K. Sharma	Mr. Ranjit Shahani	Mr. Praveen Kumar Molri	Mr. B.L. Taparia	Total Amount
Fee for attending board committee meetings	2.00	2.90	2.00	Nil	6.90
Commission	15.07	15.07	15.07	Nil	45.21
Others	Nil	Nil	Nil	16.50	16.50
Total (2B)	**17.07**	**17.97**	**17.07**	**16.50**	**68.60**
Total B = (1+2)					**443.65**
Ceiling as per the Act	1% of the Net Profits of the Company				

(1) Mr. Martin Kriegner has waived his right to receive any sitting fees and/or commission effective October, 2018.

(2) Ms. Then Hwee Tan was appointed as Director w.e.f. 18th February, 2019. Ms.Shikha Sharma, Mr. M.K. Sharma, Mr. Ranjit Shahani and Mr. P.K.Molri were appointed as Directors w.e.f. 1st April, 2019.

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP			Total Amount
		Mr. Suresh Joshi (upto 30th April, 2019)	Ms. Sonal Shrivastava (w.e.f.1st May 2019)	Mr. Rajiv Gandhi	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act				
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	63.28			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		117.61	82.02	262.91
2.	Stock Option	Nil	Nil	2.04	2.04
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - As % of Profit	5.81	0.17	Nil	5.98
5.	Others (a) Contribution to Provident Fund	6.24	12.45	9.73	28.42
	(b) Performance Bonus (Refer Note)	17.76	N.A.	4.53	22.29
	Total	**93.09**	**130.23**	**98.32**	**321.64**

Note: The above figures do not include performance bonus of the CFO & CS for FY 2019. The performance bonus mentioned above is for FY 2018 paid in FY 2019.

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

None

On behalf of the Board of Director

Sd/-
N.S.Sekhsaria
Chairman & Principal Founder
(DIN: 00276351)

Mumbai, 20th February, 2020

Form No. AOC-2

January to December - 2019

Particulars of contracts contracts/arrangements made with related parties
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

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

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

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

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

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

Name of the related party Nature of Contract	Nature of Relationship	Duration of Contract	Terms [1]	Amount (₹ in Crs.)
Purchase of goods or Fixed Assets				
LafargeHolcim Energy Solutions S.A.S, France	Fellow Subsidiary	Case to Case Purchase orders [2]	Based on Transfer Pricing Guidelines	286.1
Holcim (US) Inc. USA	Fellow Subsidiary	One time order	Based on Transfer Pricing Guidelines	**97.6**
ACC Limited	Subsidiary	January 1st, 2019 - December 31st, 2019	Based on Transfer Pricing Guidelines	**103.6**
				487.2
Sale of goods				
ACC Limited	Subsidiary	January 1st, 2019 - December 31st, 2019	Based on Transfer Pricing Guidelines	115.1
				115.1
Receiving of services				
ACC Limited	Subsidiary	January 1st, 2019 - December 31st, 2019	Based on Transfer Pricing Guidelines	41.9
Holcim Technology Ltd, Switzerland	Fellow Subsidiary	January 1st, 2018 - December 31st, 2020 [4]	Based on Transfer Pricing Guidelines	114.7
Holcim Services (South Asia) Limited	Fellow Subsidiary	January 1st, 2019 - December 31st, 2020 [5]	Based on Transfer Pricing Guidelines	51.8
				208.4
Rendering of services				
ACC Limited	Subsidiary	January 1st, 2019 - December 31st, 2019	Based on Transfer Pricing Guidelines	32.5
				32.5

Note:

1. Appropriate approvals has been taken from Audit Committee, Board and shareholders (wherever required) for related party transactions.

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.

3. Details of the remuneration to Director / Senior Management policy is available as a part of Corporate Governance 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 31ST DECEMBER, 2019

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 authorized 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 31st December, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st December, 2019, 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, 2009; 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 Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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, 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 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.

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 M. NO. FCS 5171
COP No. 3030
UDIN: F005171B000118405

Date: 3rd February, 2020
Place: Mumbai

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. Replacement of PVC Fills in cooling towers to improve condenser cooling water to improve SHR in CPP by 15 kCal/kWh. (Bhatapara)
2. Replacement of 2 Nos of ARC valve of Boiler Feed Pump at CPP to improve auxiliary consumption by 500 kWh/day. (Bhatapara)
3. Grinding media regrading and optimisation to reduce Grinding Power by 0.6 Kw/T cement. (Bhatapara)
4. Installation of VFD in PA Fan to improve auxiliary consumption in CPP by 200 kWh/day (Bhatapara)
5. Installation of low Voltage VFD in 30 KW Softener pump to save 200 kWh/day. (Bhatapara)
6. Installation of MV VFD in Boiler no 4, PA Fan & modification in suction bell mouth to improve system resistance, reduced load by 83 kW. (Bhatapara)
7. Installation of VFD in Line 1 Cooler fan No 04 (Bhatapara)
8. Installation of VFD in L2 PD Blower 452BL6 and 482BL2 (Bhatapara)
9. Installation of LED light in place of conventional lights (Bhatapara)
10. Replacement of Aerodynamics Plate in Cooling Tower (Bhatapara)
11. Optimization of Calciner string down comer duct water spray system to reduce load by 36 kW (Suli)
12. Raw mill cyclone dip tube modification work to reduce Fan power by 200 kW (Suli)
13. Optimization of coal mill by in-house modification in Separator and installation of new table water spray system (Suli)
14. Installation of 2 ACC Fan in Boiler 2 (Rabriyawas)
15. Voltage optimisation at identified MCC panels (Rabriyawas)
16. Voltage optimization for Transformers in Kiln section at TR4, TR5 & New crusher Transformer (Rabriyawas)
17. Power factor improvement on LT side of TR3 and TR6 (Rabriyawas)
18. Installed VVFD in FD Fan of Boiler 2 to reduce auxiliary consumption by 1500 kWh/day. (Rabriyawas)
19. VFD installation in WHRS Cooling Tower to reduce auxiliary consumption by 100 kWh/day (Rabriyawas)
20. Installation of screw compressors in place of reciprocating compressors
21. Dam-ring optimization in Gaj-2 Raw Mill to reduce SEEC by 0.15 kWh/t. (Ambujanagar)
22. Gaj-1 main firing blower volume reduced in order to reduce STEC, SEEC and NOx. (Ambujanagar)
23. Cement grinding SEEC optimisation in CM -1 (MCW)
24. Installation of HLC in CM 5 (MCW)
25. Installation of VVFD in new fly ash silo bucket elevator (MCW)
26. VFD installation in Ambuja PA fan (Ambujanagar)
27. Installed Reclaimer Ambuja Harrow drive VVFD (Ambujanagar)
28. Installation of VVFD in new fly ash silo bucket elevator (Ambujanagar)
29. VFD installation in ACC Cooling Fans (6 nos.) (Ambujanagar)
30. Replacement of Old Compressor with VSD Screw compressor (MCW)
31. Installed VVFD in fly ash bag filter fan(MCW)
32. Installation of screw compressors in place of reciprocating compressors (Ambujanagar)
33. Installation of Quick Sensor in Wind Mill (5 nos) (Surat)

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

1. Usage of Alternate fuel in Kiln and CPP across all Plants for partial replacement of Fossil fuels.
2. Operation of CPP with Biomass fuel at 52% TSR (Ropar)
3. AFR discharge chute modification to enhance TSR% (Bhatapara)
4. Continuous operation of Solar Power Plant (Bhatapara)
5. Continuous operation of WHRS (Rabariyawas)

6. Use of Wind Power (Surat)

7. Solar Plant under installation for partial replacement of Power with Solar at Bhatapara, Rabriyawas and Dadri

(3) The capital investment on energy conservation equipment

1. Installation of VFD at various locations
2. Installation of 2 ACC Fan in Boiler 2 (Rabriyawas)
3. Installation of HLC in CM 5 (MCW)
4. TISS implementation at various 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. Digitalization of walk by inspection to improve quality of inspection across all Plants.
3. Bulk loading system for OPC to increase contribution of cement volume (Rabriyawas)
4. Dynamic load shedding at Ambujanagar

2) Benefits derived (Cost reduction, product improvement / improvement, Import substitution, etc.) in the year 2019

1. Energy saving through initiative like VFD installation, LED lights and optimisation measures
2. Better conversion factor of clinker with higher fly ash addition
3. Commenced production of Compocem from Ambujanagar and Sankrail to improve clinker factor, which in turn will reduce Limestone consumption, energy consumption, clinker consumption and GHG emission
4. Conservation of fossil fuel through usage of AFR in Kiln and CPP

3) Information regarding Technology Imported during last 3 years

Details of Technology Imported	Year of Import	Status of implementation / absorption
OBIS (Onboard Information System) for better mining fleet management	2017	Fully Absorbed
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
Installation of SNCR to comply NOx emission guideline in Ambuja Kiln	2019	Fully Absorbed
Dynamic load shedding system at Ambujanagar	2019	Partially Absorbed
Usage of Ammonium Carbonate Solution in place of Aq. Ammonia in our SNCR system	2019	Partially 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

4) Expenditure on R&D:

	Current Year 31.12.2019 (₹ Crores)	Previous Year 31.12.2018 (₹ Crores)
Capital Expenditure	0.73	0.75
Recurring Expenditure	0.80	0.26
Total Expenditure	1.53	1.01
Total R & D expenditure as a percentage of total turnover	0.01%	0.01%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:		
Category	**Current Year (₹ In Crores)**	**Previous Year (₹ In Crores)**
Used	1,007.06	989.64
Earned	2.23	2.79

(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 2019	624,000
Percentage increase in the median remuneration of employees in the Financial Year	0.36%
Number of permanent employees on the rolls of the Company as on 31st December, 2019	4,625

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 2019
Non Executive Directors			
Mr. N.S. Sekhsaria	5,340,000	8.56	-3.78%
Mr. Jan Jenisch	2,200,000	3.53	7.32%
Mr. Chrisfof Haessig	2,200,000	3.53	-8.33%
Mr. Roland Kohler	2,200,000	3.53	17.27%
Mr. Martin Kriegner	-	0.00	N.A.
Ms. Then Hwee Tan (w.e.f. 18th February, 2019)	3,466,000	5.55	N.A.
Mr. Mahendra Kumar Sharma (w.e.f. 1st April, 2019)	1,707,000	2.74	N.A.
Mr. Ranjit Shahani (w.e.f. 1st April, 2019)	1,797,000	2.88	N.A.
Mr. Praveen Kumar Molri (w.e.f. 1st April, 2019)	1,707,000	2.74	N.A.
Mr. B.L. Taparia (upto 29th March, 2019)	1,650,000	2.64	N.A.
Independent Directors			
Mr. Nasser Munjee	4,140,000	6.63	-7.80%
Mr. Rajendra Chitale	5,390,000	8.64	-4.94%
Mr. Shailesh Haribhakti	4,220,000	6.76	-0.94%
Dr. Omkar Goswami	4,090,000	6.55	-7.67%
Ms. Shikha Sharma (w.e.f. 1st April, 2019)	3,062,000	4.91	N.A.
Mr. Haigreve Khaitan (upto 31st March, 2019)	997,000	1.60	N.A.
Executive Director			
Mr. Bimlendra Jha, MD & CEO w.e.f. 1st March, 2019	64,900,576	104.01	N.A.
Mr. Ajay Kapur, MD & CEO upto 28th February, 2019	71,850,413	115.14	N.A.
Other KMPs			
Ms. Sonal Shrivastava, CFO w.e.f. 1st May, 2019	13,023,311	20.87	N.A.
Mr. Suresh Joshi,CFO upto 30th April, 2019	9,309,027	14.92	N.A.
Mr. Rajiv Gandhi, Company Secretary	9,832,768	15.76	-6.21%

(1) (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st January, 2019 to 31st December, 2019;

(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 December, 2019.

(c) Remuneration to MD & CEO and KMPs includes salary, performance bonus, allowances & other benefits on payment basis and applicable perquisities and contribution to approved Pension Fund but except for the accrued Gratuity Fund.

(2) There was a change in the Directors (including MD & CEO) and CFO 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 decrease over the previous year in the salaries of employees other than the Managerial Personnel (i.e. M.D.&CEO) is 3.25 % and the same was due to separation of employees during the year.

(b) Average percentile in the remuneration of the Managerial Personnel (i.e. MD & CEO) also decreased by 16.6% due to change in the MD & CEO during the year.

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

Form AOC-1

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

A) Subsidiary company

₹ in crores

Name	Date of acquisition	Financial year ending on	As on and for the year ended	Reporting Currency	Share capital	Reserves and surplus	Total assets	Total liabilities	Total Invetments	Turnover	Profit / (loss) before tax	Provision for taxation	Profit / (loss) after tax but before share of profit in associates and minority interest	Proposed Dividend (including dividend distribution tax) (4)	% of Shareholding
M.G.T. Cements Private Limited	20/10/2007	**31st December, 2019**	**31st December, 2019**	₹	**0.75**	**(0.76)**	**-**	**0.01**	**-**	**-**	(0.01)	-	(0.01)	-	100.00
		31st December, 2018	31st December, 2018	₹	0.75	(0.75)	-	-	-	-	-	-	-	-	100.00
Chemical Limes Mundwa Private Limited	20/10/2007	**31st December, 2019**	**31st December, 2019**	₹	**5.14**	**(4.95)**	**1.73**	**1.54**	**-**	**-**	**(0.29)**	**-**	**(0.29)**	**-**	**100.00**
		31st December, 2018	31st December, 2018	₹	5.14	(4.65)	1.76	1.27	-	-	(0.26)	-	(0.26)	-	100.00
Dirk India Private Limited	02/09/2011	**31st December, 2019**	**31st December, 2019**	₹	**2.08**	**(34.67)**	**23.41**	**56.00**	**-**	**8.00**	**(0.52)**	**-**	**(0.52)**	**-**	**100.00**
		31st December, 2018	31st December, 2018	₹	2.08	(34.26)	24.48	56.66	-	10.14	(0.81)	0.10	(0.91)	-	100.00
Dang Cement Industries Private Limited	06/05/2011	**31st December, 2019**	**31st December, 2019**	Nepalese Rupee	**13.84**	**(6.26)**	**7.59**	**0.01**	**-**	**-**	**(0.61)**	**-**	**(0.61)**	**-**	**91.63**
		31st December, 2018	31st December, 2018	Nepalese Rupee	13.84	(5.65)	8.19	-	-		(0.10)	-	(0.10)	-	91.63
ACC Limited (1)	12/08/2016	**31st December, 2019**	**31st December, 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**
		31st December, 2018	31st December, 2018	₹	187.99	10,343.91	16,055.95	5,521.02	104.10	14,477.47	1,510.11	(10.51)	1,520.62	316.95	50.05
Oneindia BSC Private Limited (1 & 2)	13/08/2015	**31st December, 2019**	**31st December, 2019**	₹	**2.50**	**4.69**	**11.83**	**4.64**	**-**	**21.78**	**1.75**	**0.46**	**1.29**	**-**	**50.00**
		31st December, 2018	31st December, 2018	₹	2.50	3.54	10.37	4.33	-	23.05	2.02	0.43	1.60	-	50.00

B) Joint Ventures company											₹ in crore
Name	Date of acquisition	Financial year ending on	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	Amount of investment in Joint Venture				For the Year	Considered in Consolidation	Not Considered in Consolidation
Counto Microfine Private Limited	01/08/2011	**31st December, 2019**	**8,319,722**	₹	16.16	Refer note (3)	Not applicable	**47.53**	**14.47**	**7.24**	**7.24**
		31st December, 2018	8,319,722	₹	16.16			37.09	7.57	3.78	3.79

Notes

1) Figure of ACC limited is as per consolidated financial statements of the same, includes its share in Joint venture in Oneindia BSC Private Limited, which is indirect subsidiary of the Company.

2) Figure of Oneindia BSC Private Limited, is proportionate to the shareholding of the Company as the same is joint venture of its subsidiary ACC Limited.

3) Significant influence is demonstrated by holding 20% or more of the voting power of the investee.

4) Dividend and tax thereon represents, amount declared by ACC Limited for year ended 31st December, 2019.

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

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

Shailesh Haribhakti
Director
DIN - 00007347

Christof Hassig
Director
DIN - 01680305

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Shikha Sharma
Director
DIN - 00043265

Ranjit Shahani
Director
DIN - 00103845

Martin Kriegner
Director
DIN - 00077715

Omkar Goswami
Director
DIN - 00004258

Mahendra Kumar Sharma
Director
DIN - 00327684

Mumbai, 20th February, 2020

Report on Corporate Governance

The Directors' Report on the Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given below.

1. Corporate Governance

1.1 Company's Philosophy on Corporate Governance:

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

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding our plants, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure conservation and development of economic, social and environmental capital and that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line". The relentless efforts made on these fronts have resulted in the Company becoming 6 times water positive, among various other sustainability initiatives.

1.2 The Governance Structure:

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

(i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, governance standards, reporting mechanism and accountability and decision making process to be followed.

(ii) Committees of Directors - The Committees of the Board such as Audit Committee, Compliance Committee, Nomination and Remuneration Committee, CSR & Sustainability Committee and Risk Management Committee etc. are focused on financial reporting, audit and internal controls, legal & compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR and Sustainability activities and the risk management framework.

(iii) Executive Management – The entire business including the support functions are managed with clearly demarcated responsibilities and authorities at different levels.

(a) Managing Director and CEO – The Managing Director and CEO is responsible for achieving the Company's vision and mission, business strategies, project execution, mergers and acquisition, significant policy decisions and all the critical issues having significant business and financial implications. He is also responsible for the overall performance and growth of the Company and ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Board of Directors.

(b) Executive Committee - The Executive Committee is headed by the Managing Director and CEO. The CFO and the Heads of Manufacturing, Marketing, Logistics, MSA and HR are its other members. Heads of Technical and Procurement are the Permanent Invitees. This committee is a brain storming committee, which meets once in a month, wherein all important business issues are discussed and decisions are taken. This Committee reviews and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies and keep the Board informed about important developments having bearing on the operational and financial performance of the Company. Additionally, the Committee also reviews Health and Safety, Environment and Sustainability initiatives of the Company.

1.3 The Compliance Framework:

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and to provide updates to senior management and the Board on a periodic basis. The Audit, Risk and Compliance Committee of Directors and the Board periodically review the status of compliances with applicable laws and provide valuable guidance to the management team wherever necessary.

2. Board of Directors

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company.

2.1. Composition and Board Diversity:

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

As at the end of corporate financial year 2019, the total Board strength comprises of the following:

Category	No. of Directors
Non-Executive, Independent Directors including Independent Woman Director	5
Other Non-Executive and Non-Independent Directors	9
Executive Director (MD & CEO)	1
Total Strength	**15**

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

2.2. Selection, Appointment and Tenure of Director:

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

The Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time. The current retirement age for the Directors is 75 years. The Independent Directors are appointed for a fixed term not exceeding five years. The Managing Director is also appointed for a term of five years and is not liable to retire by rotation. Non-executive Directors (except Independent Directors) are liable to retire by rotation and are eligible for re-appointment, unless otherwise specifically provided under the Articles of Association or under any statute.

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

2.3. Other Directorships etc.:

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

Independent Directors:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Further in terms of the Regulation 25(8), they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and they are independent of the management. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations, 2015.

During the year under review, 4 Independent Directors i.e. Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami were re-appointed for the second term of 5 year w.e.f. 1st April, 2019. Further, Ms. Shikha Sharma was appointed as a Women Independent Director for the first term of 5 years w.e.f. 1st April, 2019.

2.4. Certification from Company Secretary in Practice:

Mr. Surendra Kanstiya, Company Secretary in whole-time practice has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as director of company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

2.5. Directors' Profile

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

(i) Mr. N. S. Sekhsaria (DIN: 00276351) (Non-Executive Chairman, Non-Independent)

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

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

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

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

Mr. Sekhsaria is the Chairman of the CSR & Sustainability Committee and a Member of the Nomination & Remuneration Committee.

(ii) Mr. Jan Jenisch (DIN:07957196) (Vice-Chairman,Non-Executive Promoter Director representing LafargeHolcim Ltd., Non-Independent)

Mr. Jan Jenisch, a German national is the Chief Executive Officer of LafargeHolcim since September 2017. From 2012, he served as Chief Executive Officer of Sika AG which develops and manufactures systems and products for the building materials and automotive sector. Under his leadership, Sika expanded into new markets and set new standards of performance in sales and profitability. Mr. Jenisch joined Sika in 1996 and went on to work in various management functions and countries. He was appointed to the Management Board in 2004 as Head of the Industry Division and he served as President Asia Pacific from 2007 to 2012.

Mr. Jenisch has studied in Switzerland and the US and is a Graduate of the University of Fribourg, Switzerland with an MBA. He is a non-executive Director of the privately held Glas Troesch, Switzerland.

He joined the Board in October, 2017 and is the Vice Chairman of the Board.

(iii) Mr. Nasser Munjee (DIN:00010180) (Non-Executive, Independent Director)

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

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

He joined the Board in August, 2001. He is the Chairman of the Nomination & Remuneration Committee and the Compliance Committee and a member of the Audit Committee, CSR & Sustainability Committee and Risk Management Committee.

(iv) Mr. Rajendra Chitale (DIN:00015986) (Non-Executive, Independent Director)

Mr. Rajendra Chitale, an eminent Chartered Accountant and a Law Graduate, is the Managing Partner of M/s. Chitale & Co, a leading boutique international structuring, tax and legal advisory firm and of M/s M. P. Chitale & Co., a reputed

chartered accountancy firm. He has served as a member of the Insurance Advisory Committee of the Insurance and Regulatory Development Authority of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the Securities & Exchange Board of India, the Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served on the Board of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Ltd. and Clearing Corporation of India Limited. He is on the Board of several large corporates.

Mr. Chitale joined the Board in July, 2002. He is the Chairman of the Audit Committee and Risk Management Committee and the member of the Stakeholders Relationship Committee and CSR & Sustainability Committee.

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

Mr. Shailesh Haribhakti an eminent Chartered Accountant is the Chairman of Shailesh Haribhakti & Associates. He is also a certified Internal Auditor, Financial Planner & Fraud Examiner with a career span over four decades.

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

He has participated in creating Indian Multinationals in the services sector. His passion for teaching, writing and public speaking have made him an associate with IIMA, many management institutions and several industry and professional forums. He has led BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two years, he served on the Standards Advisory Council of the IASB in London.

Mr. Haribhakti joined the Board in May, 2006. He is the member of the Nomination and Remuneration Committee, Risk Management Committee and the Compliance Committee.

(vi) Dr. Omkar Goswami (DIN: 00004258) (Non-Executive, Independent Director)

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

Dr. Goswami joined the Board in July, 2006. He is a member of the Compliance Committee and Stakeholders Relationship Committee.

(vii) Ms. Shikha Sharma (DIN: 00043265) (Non-Executive, Independent Director)

Ms. Shikha Sharma is a B.A. (Hons.) in Economics, PGD in Software Technology and MBA from IIM Ahmedabad. She was the MD & CEO of Axis Bank Ltd. from 2009 to 2018. She began her career with ICICI Bank in 1980. At ICICI, she was instrumental in setting up ICICI Securities besides setting up various group business for ICICI including investment banking and retail finance. Before moving to Axis Bank, she was the MD & CEO of ICICI Prudential Life Insurance Co. Ltd. She was a Member of RBI's Technical Advisory Committee and chairs CII National Committee on Banking. She has featured in Fortune's Top 50 most powerful Women in business outside US and has several awards & recognition to her credit.

Ms. Sharma joined the Board in April, 2019. She is the Member of Audit Committee.

(viii) Mr. Christof Hassig (DIN: 01680305) (Non-Executive Promoter Director representing LafargeHolcim Ltd., Non-Independent)

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

Mr. Hassig joined the Board in December, 2015.

(ix) Mr. Roland Kohler (DIN: 08069722) (Non-Executive Promoter Director representing LafargeHolcim Ltd., Non-Independent)

Mr. Roland Kohler is a Swiss national and a MBA from the University of Zurich and has attended the Advanced Executive Program at INSEAD (European Institute for Business Administration).

Mr. Kohler has extensive commercial and international experience in cement, ready mix and aggregates industry ranging from operations, marketing, business integration, mergers & acquisitions, divestments etc. He joined Holcim group in 1994 as Head Management Consultant and progressed through the ranks to be appointed to the Executive Committee in March, 2010, responsible for Group Functions.

He was a key member of the integration Committee for merger of Lafarge and Holcim. He also served as interim COO of the LafargeHolcim group. He is also the Chairman of LafargeHolcim Foundation for Sustainable Construction.

Mr. Kohler joined the Board in February, 2018. He is the member of the Risk Management Committee.

(x) Mr. Martin Kriegner (DIN: 00077715) (Non-Executive Promoter Director representing LafargeHolcim Ltd., Non-Independent)

Mr. Martin Kriegner is an Austrian national and has been a member of the Executive Committee of LafargeHolcim since August 2016 and is the Region Head of Asia Pacific. He is a graduate of Vienna University with a Doctorate in Law and he obtained an MBA at the University of Economics in Vienna.

Martin Kriegner joined the Group in 1990 and became the CEO of Perlmooser AG, Austria in 1998. He moved to India as CEO of the Lafarge operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO of Lafarge India for Cement, RMX and Aggregates. In July 2015, he became Area Manager Central Europe for LafargeHolcim operations. He is also globally in charge for Cement Manufacturing, Logistics, Commercial and Geocycle.

Mr. Kriegner joined the Board in February, 2016. He is a member on the Audit Committee, Nomination & Remuneration Committee and CSR and Sustainability Committee.

(xi) Ms. Then Hwee Tan (DIN: 08354724) (Non-Executive, Non-Independent Director)

Ms. Then Hwee Tan is Singapore national and an MBA from Wichita State University, Kansas, USA. She has attended Executive Development Programs at the Institute of Management Development. She is currently the Group Head of Learning & Development, at LafargeHolcim. At LafargeHolcim, she is a member of the HR leadership team responsible for executive learning and talent development. She has over twenty years of HR management experience in an international business environment across Asia Pacific including leadership development, talent & succession management, employee engagement, organizational development and compensation & benefits management. Apart from LafargeHolcim, she has worked with reputed companies such as Sika, Asia Pacific, Lucent Technologies, USA and Philips Mobile Display Systems, Hong Kong.

Ms. Tan joined the Board in February, 2019. She is a member on the Compliance Committee.

(xii) Mr. Mahendra Kumar Sharma (DIN: 00327684) (Non-Executive, Non-Independent Director)

Mr. Mahendra Kumar Sharma is an Arts & Law Graduate from University of Lucknow and a Post Graduate Diploma holder in Personnel Management and Labour Laws. After a five year stint with Delhi Cloth & General Mills Co. Ltd, he joined Hindustan Unilever Ltd. in 1974 as a Legal Manager. He retired in 2007 as its Vice Chairman with the responsibility of HR, Legal & Secretarial, Corporate Affairs, Real Estate etc. He has served as member of the Corporate Law Committee to comprehensively redraft the Companies Act and as a member of Naresh Chandra Committee on Corporate Governance. He is on the Board of several companies.

Mr. M. K. Sharma joined the Board in April, 2019. He is a member on the CSR & Sustainability Committee.

(xiii) Mr. Ranjit Shahani (DIN: 00103845) (Non-Executive, Non-Independent Director)

Mr. Ranjit Shahani is a Mechanical Engineer from IIT Kanpur and MBA from Jamnalal Bajaj Institute of Management Studies. He started his career with Imperial Chemical Industries (ICI) in India and then served as General Manager with ICI, Zeneca in UK overseeing Asia Pacific and Latin America operations for petrochemicals and plastics division. He was the CEO of Roche Products and on the Board of Novartis India Ltd. from 2002 to 2018. He is currently the President of the Swiss Indian Chamber of Commerce and is on the Board of Novartis Comprehensive Leprosy Care Association etc.

Mr. Shahani joined the Board in April, 2019. He the Chairman of the Stakeholder Relationship Committee.

(xiv) Mr. Praveen Kumar Molri (DIN:07810173) (Non-Executive, Non-Independent Director)

Mr P.K.Molri is Commerce Graduate and Chartered Accountant. He joined LIC of India in July 1985 and has rich experience of more than 34 years of having worked in different senior positions including Senior Divisional Manager of two Divisions and Chief Risk Officer of the Organisation. He recently superannuated from LIC from the post of Executive Director- Investment Operations wherein he was heading Equity, Debt, Treasury, Pension & Group schemes and ULIP Portfolios.

Mr. Molri joined the Board in April, 2019.

(xv) Mr. Bimlendra Jha (DIN:02170280) (Executive, Non-Independent, Managing Director and CEO) (upto 20th February, 2020)

Mr. Bimlendra Jha is a B. Tech in Ceramic Engineering from IIT Varanasi and a Post Graduate Diploma in Business Management, Marketing and Finance from XLRI Jamshedpur. He has been associated with Tata Steel Ltd. for nearly three decades and over the last six years, he has held multiple leadership roles including CEO Tata Steel UK and Executive Director on the Board of Tata Steel Europe, looking after operations in UK, Sweden, and Canada. He has been actively involved in Strategic Portfolio restructuring, Supply Chain Transformation and turning around the steel businesses of Tata Steel in the UK in a very challenging environment.

As a member of the marketing team and later as a P&L owner of Long Products at Tata Steel, Mr. Jha has done some pioneering work in the areas of market development, brand management and construction practices. This includes the design of new processes in Marketing, Value Selling, Channel Loyalty programs and launch of new product concepts such as SuperLinks and BuildWise.

Mr. Jha joined the Board in February, 2019. He is a member of the CSR & Sustainability Committee, Risk Management Committee, Compliance Committee, Stakeholders Relationship Committee and a Permanent Invitee of Audit Committee and Nomination and Remuneration Committee.

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

(i) Meetings:

The Board generally meets 5 times during the year and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. The Directors are also given an option of attending the board meeting through video conferencing. The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The information as mentioned in Part A of Schedule II of the SEBI Listing Regulations is placed before the Board at its meeting for its consideration, whenever applicable.

The Senior Management of the Company make timely disclosure to Board relating to all material, financial and commercial transactions.

During the year ended on 31st December, 2019, the Board of Directors had 5 meetings. These were held on 18th February, 2019, 30th April, 2019, 25th July, 2019, 18th October, 2019 and 10th December, 2019.

The names and category of the Directors on the Board, their attendance at Board Meeting held during the year under review and at the last Annual General Meeting (AGM), name of the other listed entities in which the Director is a Director and the number of the Directorship and Committee Chairmanship/Membership held by them in other public limited company as on 31st December, 2019 are given below :-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended (FY 2019)	Attendance at last AGM held on 29th March, 2019	No. of Director-ships Held in Indian Public Listed Companies[1]	Committee Positions in India[2]		Directorship in other Listed Entity & Category
						Chairman	Member	
1.	Mr. N. S. Sekhsaria, Chairman	Non-Executive Non-Independent	5	Yes	2	Nil	Nil	Non-Executive, Non-Independent : 1. ACC Limited 2. Everest Industries Limited
2.	Mr. Jan Jenisch, Vice Chairman	Non-Executive, Non-Independent	4	No	1	Nil	Nil	Non-Executive, Non-Independent : 1. ACC Limited
3.	Mr. Nasser Munjee	Independent	3	No	5	3	2	Non-Executive, Independent Director in : 1. ABB India Ltd. 2. Cummins India Ltd. 3. HDFC Ltd. 4. The Indian Hotels Company Ltd. Non-Executive, Non-Independent in 1. DCB Bank Ltd.

Sr. No.	Name of the Director	Category	No. of Board Meetings attended (FY 2019)	Attendance at last AGM held on 29th March, 2019	No. of Director-ships Held in Indian Public Listed Companies[1]	Committee Positions in India[2]		Directorship in other Listed Entity & Category
						Chairman	Member	
4.	Mr. Rajendra Chitale	Independent	5	Yes	1	3	3	Non-Executive, Independent Director in :- 1. Everest Industries Ltd.
5.	Mr. Shailesh Haribhakti	Independent	4	No	6	4	5	Non-Executive, Independent Director in :- 1. Torrent Pharmaceuticals Ltd. 2. L & T Finance Holdings Ltd. 3. Blue Star Limited 4. Future Lifestyle Fashions Ltd. 5. Bajaj Electricals Ltd. 6. ACC Ltd.
6.	Dr. Omkar Goswami	Independent	4	No	3	Nil	4	Non-Executive, Independent Director in :- 1. Godrej Consumer Products Ltd. 2. Bajaj Auto Ltd. 3. Bajaj Finance Ltd.
7.	Ms. Shikha Sharma[3]	Independent	3 of 4	Not Applicable	4	Nil	5	Non-Executive, Independent Director in : 1. Dr. Reddy's Laboratories Ltd. 2. Tata Consumer Products Ltd. 3. Tech Mahindra Ltd. 4. Mahindra & Mahindra Ltd.
8.	Mr. Christof Hassig	Non-Executive, Non-Independent	4	No	1	Nil	1	Non-Executive, Non-Independent Director: 1. ACC Limited
9.	Mr. Martin Kriegner	Non-Executive, Non-Independent	5	No	1	Nil	2	Non-Executive, Non-Independent Director: 1. ACC Limited
10.	Mr. Roland Kohler	Non-Executive, Non-Independent	4	No	Nil	Nil	Nil	Nil
11.	Ms. Then Hwee Tan	Non-Executive, Non-Independent	5	Yes	Nil	Nil	Nil	Nil
12.	Mr. Mahendra Kumar Sharma[3]	Non-Executive, Non-Independent	4 of 4	Not Applicable	4	3	2	Non-Executive, Independent Director in : 1. Wipro Ltd. 2. Asian Paints Ltd. 3. United Spirits Ltd. 4. Vedanta Ltd.
13.	Mr. Ranjit Shahani[3]	Non-Executive, Non-Independent	4 of 4	Not Applicable	1	1	Nil	Non-Executive, Independent Director in :- Hikal Ltd.
14.	Mr. Praveen Kumar Molri[3]	Non-Executive, Non-Independent	4 of 4	Not Applicable	Nil	Nil	Nil	Nil
15.	Mr. Bimlendra Jha	Managing Director and CEO	5	Yes	Nil	Nil	1	Nil

[1]Includes Indian Public Listed Companies other than Ambuja Cements Limited and excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

[2]Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited companies (whether listed or not) including Ambuja Cements Ltd.

[3]As these Directors were appointed at the last AGM, the attendance at the AGM is not applicable in their case.

(ii) Separate Meeting of Independent Directors:

The Independent Directors met amongst themselves without the presence of the Company executives on 9th December, 2019. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors (including the Chairman) and the entire Board and the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

(iii) Agenda:

All the meetings are conducted as per well designed and structured agenda and in line with the compliance requirement under the Companies Act, 2013, Rules thereunder and applicable Secretarial Standards prescribed by ICSI. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board/Committee to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and unlisted subsidiaries for the information of the Board.

Additional agenda items in the form of "Other Business" are included with the permission of the Chairman and majority of the Directors present at the meeting. Agenda papers are circulated seven days prior to the Board / Committee Meeting. Further, information is also provided to the Board members on critical matters for their inputs, review and approval. For any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board / Committee Meeting for ratification/approval.

(iv) Invitees and Proceedings:

Apart from the Board members, the CFO, the Heads of Logistics, Manufacturing and Marketing and the Company Secretary are invited to attend all the Board Meetings. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The Managing Director, the CFO and other senior executives make presentations on quarterly and annual operating and financial performance, annual operating and capex budget and progress, health and safety, marketing and cement industry scenario and other business issues.

The annual strategic and operating plans of the business are presented to the Board. The quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board for their approval. Also, the Compliance Committee and the Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. Important managerial decisions, material positive / negative developments and statutory matters are presented to the Committees of the Board and the Committee recommendations are placed before the Board. As a system, information is submitted along with the agenda papers well in advance of the meetings.

The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board meeting.

(v) Post Meeting Action and Follow-up system:

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

(vi) Support and Role of Company Secretary:

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

(vii) Compliance Officer:

Mr. Rajiv Gandhi, Company Secretary is the compliance officer for complying with the provisions of the Companies Act and the Securities Laws.

2.7. Induction and Familiarization Program for Directors:

Induction and training of the newly appointed Director and ongoing familiarization of all the Board Members are the responsibility of the Managing Director and CEO and the Company Secretary.

A newly appointed Director is provided with an appointment letter along with an induction kit setting out their roles, function, duties and responsibilities and copies of the Code of Business Conduct, Insider Trading Code and other policies as may be applicable to them.

Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director and CEO, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The program also includes visit to the plant to familiarize them with all facets of cement manufacturing. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

On an on-going basis, periodic presentations are made at the Board and Committee meetings, on Health and Safety, Sustainability, performance updates of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan. The Directors are also provided with quarterly update on relevant statutory changes, judicial pronouncements and important amendments.

As a normal practice, this year also the Audit Committee reviewed the Direct and Indirect tax matters pertaining to the Company. As a part of deeper engagement, the Board Members also interact with the senior management team on various critical issues having impact on the Company's operations.

Directors' Forum:

A Directors' Forum was held in November, 2019, where in Dr. Navroz K. Dubbash, Professor at Centre for Policy Research, was invited to apprise the Directors and the senior leadership team of the Company on the topic of "Water and Sustainability".

Directors' visit to the Head Office of LH Group at Switzerland:

With a view to familiarize the Board of Director, with the business activities of LH Group, the majority of the Directors visited the group's Head Office at Switzerland in May, 2019.

During the visit, the Directors were given a demonstration of RMX, Aggregate operations, Geocycle, Health & Safety, etc. This was followed by an interactive meeting with Mr. Jan Jenisch, LafargeHolcim Group CEO and other senior management team members wherein the Directors had a very fruitful knowledge sharing session with the team on various key topics.

The details of familiarization program can be accessed from the Investor Tab on the website of the Company.

2.8. Board Evaluation:

During the year under review, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. The details of the methodology followed along with the criteria for performance evaluation are provided in the Directors Report.

2.9. Board Skill Matrix:

In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business.
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions.
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

3. Committees of the Board:

The Committees of the Board play an important role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting.

The Board has constituted the following mandatory and non-mandatory Committees:-

3.1 Audit Committee- Mandatory Committee

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

A. Composition and Meetings:

The Audit Committee had 5 meetings during the year 2019. The composition of the Audit Committee as at 31st December, 2019 and attendance of each committee member are as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	5
2.	Mr. Nasser Munjee	Independent	3
3.	Ms. Shikha Sharma	Independent	4 of 4
4.	Mr. Martin Kriegner	Non-Independent	4

Dr. Omkar Goswami ceased to be a Member of the Audit Committee w.e.f. 3rd April, 2019 and Ms. Shikha Sharma was inducted as a Member of Audit Committee from the same date.

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

B. Invitees / Participants:

1. The M.D. and CEO is a permanent invitees to all Audit Committee meetings.
2. The Chief Internal Auditor attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other related issues that comes up during the discussions.
3. During the year under review, the representatives of the Statutory Auditors have attended all the Audit Committee meetings, where Financial Results were approved and Direct and Indirect Tax matters were reviewed.
4. The representatives of the Cost Auditors have attended 1 (one) Audit Committee Meeting when the Cost Audit Report was discussed.
5. The CFO and the Heads of Manufacturing, Marketing and Logistics also attends the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc. Other executives are invited to attend the meeting as and when required.
6. The Committee also invites the representatives of LafargeHolcim group's internal audit department to attend the Audit Committee meetings for review of the special audit projects as and when undertaken by them and also to get their valuable support and guidance on the international best practices in internal audit and strengthening of internal controls.

C. Private Meetings:

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

D. Terms of Reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations, 2015 read with section 177 of the Companies Act, 2013. These broadly includes

(i) developing an annual plan for Committee, (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements and the auditor's report, (v) interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process and (vi) recommendation for appointment, remuneration and terms of appointment of auditors.

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

(i) Matter included in the Director's Responsibility Statement.

(ii) Changes, if any, in the accounting policies.

(iii) Major accounting estimates and significant adjustments in financial statement.

(iv) Compliance with listing and other legal requirements concerning financial statements.

(v) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval given.

(vi) Qualification in draft audit report.

(vii) Scrutiny of inter-corporate loans and investments.

(viii) Management's Discussions and Analysis of Company's operations.

(ix) To investigate into substantial default in the payment to depositors/shareholders (non-payment of dividend) and creditors.

(x) Review of utilisation of loans and/or advance from/investment by Company in subsidiary.

(xi) Valuation of undertakings or assets of the company, wherever it is necessary.

(xii) Periodical Internal Audit Reports and the report of Ethical View Committee.

(xiii) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.

(xiv) Letters of Statutory Auditors to management on internal control weakness, if any.

(xv) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.

(xvi) Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditors, cost auditors and secretarial auditors considering their independence and effectiveness, and recommend their audit fees.

(xvii) Recommend to the Board, the appointment and remuneration of the CFO and Chief Internal Auditors.

E. Other Matters:

i. The Audit Committee has framed its Charter for the purpose of effective compliance of Regulation 18 of the Listing Regulations, 2015. The Charter is reviewed by the Committee from time-to-time and necessary amendments as may be required are made in it.

ii. In view of large number of laws and regulations applicable to the Company's business, their complexities and the time required for monitoring the compliances, the task of monitoring and review of legal and regulatory compliances has been assigned to a separate committee of directors called the "Compliance Committee". The composition and the scope/function of Compliance Committee are given under point no. 3.2 below.

F. Details of the payment to Statutory Auditors:

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) have been appointed as the Statutory Auditors of the Company. During the year ended 31st December, 2019, the Company and its subsidiaries have paid a consolidated sum of ₹ 5.80 Crores to the Statutory Auditors and all its entites.

3.2. Compliance Committee-Non-Mandatory Committee

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

A. Composition and Meetings:-

During the year under review, the Committee held 4 meetings. The composition of the Compliance Committee as at 31st December, 2019 and attendance of each committee member are as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Nasser Munjee (Chairman)	Independent	3 of 3
2.	Mr. Shailesh Haribhakti	Independent	3
3.	Dr. Omkar Goswami	Independent	4
4.	Ms. Then Hwee Tan	Non-Independent	3 of 3
5.	Mr. Bimlendra Jha	Managing Director and CEO	3 of 3

Mr. Nasser Munjee was inducted as a Member and Chairman of the Committee w.e.f. 3rd April, 2019. Mr. Haigreve Khaitan ceased to be a Director and a Member of the Committee on 31st March, 2019.

B. Invitees / Participants:

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

C. Terms of Reference:

The terms of reference of the Committee are to:

a) periodically review the Legal Compliance Audit report of various Units / Department submitted by the Corporate Legal Department;

b) suggest taking necessary corrective actions for non compliance, if any;

c) specifically review and confirm that all the requirements of Competition Law and Anti Bribery and Corruption Directives are fully complied with;

d) review the significant amendments in the laws, rules and regulations;

e) review the significant legal cases filed by and against the Company;

f) review the judgements of various court cases not involving the Company as a litigant but having material impact on the Company's operations;

g) periodically review the Code of Business Conduct and Ethics and Code of Conduct for prevention of Insider Trading.

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

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

3.3. Nomination and Remuneration Committee-Mandatory Committee

A. Composition and Meetings:

The Nomination and Remuneration Committee held 3 meetings during the year. The composition of the Committee as on 31st December, 2019 and the attendance of the members are as under:-

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

B. Invitees/Participants:

Mr. Bimlendra Jha, MD and CEO is the Permanent Invitee to this Committee. The Company Secretary acts as the Secretary to the Committee.

C. Terms of Reference of the Nomination and Remuneration Committee:

The Committee is empowered to -

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

(ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.

(iii) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.

(iv) Support Board in evaluation of performance of all the Directors and in annual self-assessment of the Board's overall performance.

(v) Conduct Annual performance review of MD and CEO and Senior Management Employees;

(vi) Administration of Employee Stock Option Scheme (ESOS), if any;

D. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees, which is available on the website of the Company.

As per the current internal policy, the Senior Management Employees i.e. Executive Committee Members are eligible for a maximum Performance Incentive (Bonus) upto 50% of Annual Fixed Gross Salary. However, the amount of actual Performance Incentive to be paid each year is decided by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee.

E. Details of Remuneration Paid to the Directors

Remuneration to Directors:

(a) The Non-Executive Directors are paid sitting fees of ₹ 50,000/- per meeting for attending the Board and Audit Committee and ₹ 30,000/- per meeting for attending other committee meetings. The CSR and Sustainability Committee members have unanimously waived the sitting fees for the CSR & Sustainability Committee meeting to be attended by them.

In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution for the Company's business. The Commission is paid on a uniform basis to reinforce the principle of collective responsibility. Accordingly, the Company has provided for payment of commission of ₹ 20 lacs to each of the Non-Executive Directors who were in office for the whole of the financial year 2019 and on pro-rata basis to those who were in office for part of the year.

Considering the accountability and the complexities of issues handled by the Audit and Compliance Committees respectively, the Company has provided additional commission of ₹ 16 lacs for each of the Non-Executive Member Directors of the Audit Committee and Compliance Committee who were in office for the whole of the financial year 2019 and on pro-rata basis to those who were in office for part of the year. The maximum commission payable to each Non-Executive Director has however been capped at ₹ 36 lacs per Director.

Taking into consideration the amount of time spent on the critical policy decisions, higher degree of engagement and increased responsibilities of the Chairman of the Board and greater involvement of the Chairman of the Audit Committee in some of the critical issues relating to internal audit, internal control, accounting and compliance and governance aspects, the Board based on the recommendation of the Nomination and Remuneration Committee approved the payment of an additional amount of ₹ 30 lakhs and ₹ 9 lakhs to the Chairman of the Board and the Audit Committee respectively. The maximum commission payable to the Chairman of the Board and the Chairman of Audit Committee has been capped at ₹ 50 lacs and ₹ 45 lacs respectively.

None of the Directors hold any convertible instruments.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on 31st December, 2019 are given below:-

(₹ in Lakhs)

Sr. No.	Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
1.	Mr. N. S. Sekhsaria	Nil	3.40	50.00	1,000
2.	Mr. Jan Jenisch	Nil	2.00	20.00	Nil
3.	Mr. Nasser Munjee	Nil	5.40	36.00	Nil
4.	Mr. Rajendra Chitale	Nil	8.90	45.00	Nil
5.	Mr. Shailesh Haribhakti	Nil	6.20	36.00	Nil
6.	Dr. Omkar Goswami	Nil	4.90	36.00	Nil
7.	Ms. Shikha Sharma	Nil	3.50	27.12	Nil
8.	Mr. Christof Hassig	Nil	2.00	20.00	Nil
9.	Mr. Martin Kriegner[2]	Nil	Nil	Nil	Nil
10.	Mr. Roland Kohler	Nil	2.00	20.00	Nil
11.	Ms.Then Hwee Tan	Nil	3.40	31.26	Nil
12.	Mr. M. K. Sharma	Nil	2.00	15.07	Nil
13.	Mr. Ranjit Shahani	Nil	2.90	15.07	Nil
14.	Mr. Praveen Kumar Molri	Nil	2.00	15.07	Nil
15.	Mr. Bimlendra Jha[3 & 4], MD & CEO	649.00	NIL	Nil	

(₹ in Lakhs)

Sr. No.	Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
16.	Mr. Haigreve Khaitan[5]	Nil	1.10	8.87	Nil
17.	Mr. B. L. Taparia[5 & 7]	16.50	NIL	Nil	N.A.
18.	Mr. Ajay Kapur [5 & 6]	718.50	NIL	Nil	N.A.
	TOTAL	**3184.00**	**49.70**	**375.47**	

Note:

1. The Company has not issued any stock options to the Independent Directors.
2. Mr. Martin Kriegner has waived his right to receive any sitting fees and/or commission effective October, 2018.
3. Appointment of Mr. Bimlendra Jha as MD and CEO is governed by a service contract for a period of 5 years and the notice period of 6 months. His remuneration includes basic salary, performance bonus, allowances, contribution to provident, superannuation gratuity funds, ESOPs etc. and perquisites (including monetary value of taxable perquisites) etc.
4. The remuneration of Mr. Bimlendra Jha includes ₹ 2 Crore towards joining bonus.
5. Mr. Haigreve Khaitan, Mr. B.L. Taparia and Mr. Ajay Kapur ceased to be the Directors of the Company during the year 2019.
6. The remuneration of Mr. Ajay Kapur includes leave encashment of ₹ 251.48 Lacs at the time of leaving the Company.
7. The remuneration details of Mr. B. L. Taparia is upto the date of his directorship i.e. 29th March, 2019.

3.4. Stakeholder's Relationship Committee – Mandatory Committee

The Stakeholder's Relationship Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into allotment of shares kept in abeyance, allotment of shares on exercise of the stock options by the employees, if any and allotment of privately placed preference shares, debentures and bonds, if any.

Composition and Meetings:

The Stakeholders Relationship Committee had 4 meetings during the year. The Composition of the Committee as at 31st December, 2019 and the details of the Members participation at the meeting of the Committee are as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Ranjit Shahani (Chairman)	Non- Independent	3 of 3
2.	Mr. Rajendra Chitale	Independent	4
3.	Dr. Omkar Goswami	Independent	3 of 3
4.	Mr. Bimlendra Jha	Managing Director & CEO	3 of 3

Mr. Rajendra Chitale was present at the last Annual General meeting for answering the shareholders queries.

Mr. Rajendra Chitale ceased to be a Chairman of the Committee w.e.f. 3rd April, 2019. However, he continues to be a Member on the Committee. Mr. Haigreve Khaitan, Mr. B. L. Taparia and Mr. Ajay Kapur ceased to the member of the Committee during the year. Mr. Ranjit Shahani was appointed as the Chairman and Dr. Omkar Goswami was appointed as a member on the Committee w.e.f. 3rd April, 2019.

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

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

Nature of Complaints	Opening	Received	Resolved	Pending Resolution
Non-Receipt of Bonus Shares	Nil	Nil	Nil	Nil
Non-Receipt of Transferred Shares	Nil	Nil	Nil	Nil
Non-Receipt of Dividend	Nil	Nil	Nil	Nil
Non-Receipt of Revalidated Dividend Warrants	Nil	Nil	Nil	Nil

Nature of Complaints	Opening	Received	Resolved	Pending Resolution
Letters from SEBI / Stock Exchanges, Ministry of Corporate Affairs etc.	Nil	37	37	Nil
Demat Queries	Nil	Nil	Nil	Nil
Miscellaneous Complaints	Nil	Nil	Nil	Nil
TOTAL	**Nil**	**37**	**37**	**Nil**

No investor grievances remain pending/unattended for a period exceeding 15 days. All the valid requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

Over and above the aforesaid complaints, the Company and its Registrar and Share Transfer Agent have received around 11,000 letters / queries / requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. and we are pleased to report that except for requests received towards the year end which are under process, all other queries / requests have been replied on time.

3.5. CSR and Sustainability Committee-Mandatory Committee

The Company has constituted a CSR and Sustainability Committee as required under Section 135 of the Companies Act, 2013.

The Company is at the forefront of undertaking various CSR activities in the fields of Health and Sanitation, Skill Development, Agriculture, Water Resource Management etc. which has tremendously benefitted the communities around our operations. Sustainability has been embedded in the Company's Vision statement and is a major thrust area for carrying our activities in the most sustainable manner. The major Sustainability areas include Health and Safety, Environment, Alternative Fuels and Raw Materials (AFR), Waste Management, Renewable Energy, Sustainable Construction Practices etc.

The Company has also formulated "CSR Policy", "Sustainability Policy", "CSR and Sustainability Charter" and also publishes its Annual Corporate Sustainable Development Report (GRI G4 compliant A+) which is available on the Company's website.

A. Composition and Meetings:

The Committee is headed by the Board Chairman, Mr. N.S. Sekhsaria and during F.Y. 2019, three meeting of the Committee were held on 30th April, 2019, 25th July, 2019 and 10th December, 2019. The details of the composition and the attendance at meeting as on 31st December, 2019 is as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. N. S. Sekhsaria (Chairman)	Non-Independent	3
2.	Mr. Nasser Munjee	Independent	2
3.	Mr. Rajendra Chitale	Independent	2
4.	Mr. Mahendra Kumar Sharma	Non-Independent	3
4.	Mr. Martin Kriegner	Non-Independent	3
5.	Mr. Bimlendra Jha	Managing Director and CEO	3

Mr. Mahendra Kumar Sharma was appointed as the member of the Committee w.e.f. 3rd April, 2019. Mr. B. L. Taparia and Mr.Ajay Kapur ceased to be the members of the Committee during the year.

B. Terms of Reference:

The Terms of Reference of the Committee are to:-

a) frame the CSR Policy and its review from time-to-time.

b) ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

c) ensure compliance with the laws, rules and regulations governing the CSR and to periodically report to the Board of Directors.

d) review and monitor Sustainability initiatives and its performance and such other related aspects.

3.6 Risk Management Committee-Mandatory Committee as per Listing Regulations

In compliance with the provisions of Listing Regulations, 2015 and Companies Act, 2013, the Board has constituted a Risk Management Committee under the Chairmanship of Mr. Rajendra Chitale and consists of the members as stated below.

A. Composition and Meetings:

During the year ended on 31st December, 2019, this Committee had 2 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	2
2.	Mr. Nasser Munjee	Independent	1
3.	Mr. Shailesh Haribhakti	Independent	2
4.	Mr. Roland Kohler	Non-Independent	Nil
5.	Mr. Bimlendra Jha	Managing Director and CEO	2

During the year under review, Mr. Roland Kohler was appointed as a member and Dr. Omkar Goswami ceased to be a member of the Committee w.e.f. 3rd April, 2019. Mr. Ajay Kapur ceased to be a member of the Committee and Mr. Bimlendra Jha was inducted as the member of the Committee during the year under review.

B. Terms of Reference:

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

The Terms of Reference of the Committee are to:-

a) review the framework of Business Risk Management process;

b) risk identification and assessment;

c) review and monitoring of risk mitigation plans

d) monitor and review the risks & measures related to cyber security.

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

3.7 Management Committee

The Management Committee is formed to authorize grant of Power of Attorney to executives, to approve various facilities as and when granted by the Banks and execution of documents for these facilities. Six committee meetings were held during the year 2019. The committee comprises of Mr. Rajendra Chitale - Chairman, Mr. Shailesh Haribhakti, and Mr. Bimlendra Jha as the Members.

4. Code & Vigil Mechanism

4.1 Code of Conduct:

Good companies attract the best talent and at Ambuja Cements we believe that our greatest asset is our people. ACL is a vibrant company, with broad horizons and a truly diverse workforce. As we continue to evolve and develop we will do so pursuing the highest standards of excellence in all our business practices. In line with this philosophy, the Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code lays emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect etc. The Company believes in "Zero Tolerance" to bribery and corruption in any form. In line with our governance philosophy of doing business in most ethical and transparent manner, the Board has laid down an "Anti Bribery and Corruption Directives", which is embedded to the Code. The Code of Conduct is posted on the website of the Company.

To raise awareness of the Code amongst employees, the Company conduct regular awareness workshops right from the induction stage to periodic face to face training and annual online e-learning course.

All the Board members and senior management personnel have confirmed compliance with the code during the year 2019. A declaration to that effect signed by the Managing Director and CEO is attached and forms part of the Annual Report of the Company.

Further, the senior management employees have made disclosure to the effect confirming that there were no financial or commercial transactions in which they or their relatives had any potential conflict of interest with the Company.

4.2 Prevention of Insider Trading Code :

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. Rajiv Gandhi, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. PAN Number based online tracking mechanism for monitoring of the trade in the Company's securities by the "Designated Employees" and their relatives has also been put in place to ensure real time detection and taking appropriate action, in case of any violation / non-compliance of the Company's Insider Trading Code.

4.3 Vigil Mechanism and Ethical View Policy :

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

The main objectives of the policy are :

(i) To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.

(ii) To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.

(iii) To provide healthy and fraud-free work culture.

(iv) To promote ACL's zero tolerance approach towards bribery, corruption, un-ethical behaviour and non-compliance.

The policy is applicable to all the Directors, employees, vendors and customers and provides a platform to all of them to report any suspected or confirmed incident of fraud/misconduct, unethical practices, violation of code of conduct etc. through any of the following reporting protocols:

- E-mail : acl@ethicalview.com
- National Toll Free Phone No. : 18002091005
- Fax Number : 022 – 66459796
- Written Communication to : P.O. Box No. 25, HO, Pune – 411 001
- Online reporting through : https://integrity.lafargeholcim.com

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

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

i) Mr. Kanaiya Thakker (Jt. President – Legal) – Chairman

ii) Mr. Sanjay Khajanchi (Jt. President- Finance) – Member

iii) Mr. Prabhakar Mukhopadhay (Chief Internal Auditor) – Member

iv) Mr. Rajiv Gandhi (Company Secretary) – Member and Secretary

The EVC is responsible for the following:

(i) implementation of the policy and spreading awareness amongst employees;

(ii) review all reported cases of suspected fraud / misconduct;

(iii) order investigation of any case either internally or through external investigating agencies or experts;

(iv) recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies and procedure and review of internal control systems;

(v) annual review of the policy.

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

During the year 2019, a total of 51 complaints have been filed. Of these, based on the pre-assessment of the EVC, 11 complaints did not warrant further investigation. 34 complaints were investigated and concluded whereas 6 complaint are still under investigation. The cases investigated were mainly of the nature of alleged bribery / kickbacks, theft, violation of Code of Conduct etc. Appropriate actions have been taken where the case is proved. These were in the form of termination, transfer and issue of warning letters to employees and termination of contract / blacklisting of vendor, recovery of penalty etc. The financial impact of these cases were insignificant and caused no damage to the Company.

5. General Body Meetings

(i) Annual General Meeting (AGM):

The Company convenes Annual General Meeting generally within four months of the close of the Corporate Financial Year. The details of Annual General Meetings held in last 3 years along with the details of the Special Resolutions, as more particularly set out in the notices of the respective AGMs and passed by the members are as follows:-

Financial Year/AGM	Venue of AGM	Date, Day and Time	Special Resolution passed
2018 - 36th AGM	At the Registered Office at Ambujanagar, Kodinar, Dist. Gir Somnath, Gujarat	Friday, 29th March, 2019 at 10.30 a.m.	Re-appointment of Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami as Independent Director for the second term.
2017 - 35th AGM		Friday, 15th June, 2018 at 10.30 a.m.	No special resolutions were passed.
2016 - 34th AGM		Friday, 31st March, 2017 at 10.30 am	Alteration of Article of Association

6. Disclosures

1. **Related Party Transactions**: There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict with the interest of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard-24, are disclosed in notes to accounts annexed to the financial statements.

   The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website.

2. **Accounting Standards:** The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

3. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

4. **Details of non-compliance:** No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

5. **Recommendation of the Board Committees:** During the year under review, there has been no instances of rejection by the Board of any recommendations made by any of its Committees.

6. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The details of the Risk Management Committee are provided at point no. 3.6 of this report.

7. The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 (relating to disclosure on the website of the Company).

8. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

7. CEO / CFO Certification

The MD and CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

8. Discretionary Requirements under Regulation 27 of Listing Regulations, 2015

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations, 2015 with Stock Exchanges is provided below:

8.1 **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director and CEO.

8.2 **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

8.3 **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2019 do not contain any modified audit opinion.

8.4 **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.

8.5 **Reporting of Internal Auditor:** The Chief Internal Auditor reports to the Audit Committee and he participates in the meetings of the Audit Committee and presents his audit observations to the Committee.

9. Means of Communication

Financial results: The Company's quarterly, half yearly and annual financial results are sent to the Stock Exchanges and published in 'Financial Express' and other newspapers. Simultaneously, they are also uploaded on the Company's website (www.ambujacement.com)

News releases, presentations, etc.: Official news releases and official media releases are sent to Stock Exchanges and are displayed on Company's website (www.ambujacement.com).

Presentations to institutional investors / analysts: These presentations and Schedule of analyst or institutional investors meet are also uploaded on the Company's website (www.ambujacement.com) as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in the presentation made to institutional investors and financial analysts.

Website: The Company's website (www.ambujacement.com) contains a separate dedicated section 'Investors' where shareholders' information is available. The Company's Annual Report is also available in downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report and the abridged version of the Company's maiden Integrated Report forms part of the Annual Report.

Chairman's Communiqué: The Chairman's Letter forms part of the Annual Report.

Filing with the Stock Exchanges: All periodical compliance filings required to be filed with the Stock Exchanges like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically with the BSE Limited and the National Stock Exchange of India Limited.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Reminder to Investors: Reminders to the shareholders are sent for claiming returned undelivered shares certificates, unclaimed dividend investor complaints etc.

10. General Shareholders' Information

10.1 Annual General Meeting:

Day and Date	:	Thursday, 9th April, 2020
Time	:	10.30 a.m.
Venue	:	P.O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat - 362 715. (Registered Office of the Company)

10.2 Financial Calendar:

The Company follows the period of 1st January to 31st December, as the Financial Year. For the FY 2020, financial results will be announced as per the following tentative schedule:-

First quarterly results	:	April, 2020
Second quarterly / Half yearly results	:	July, 2020
Third quarterly results	:	October, 2020
Annual results for the year ending on 31st December, 2020	:	February, 2021
Annual General Meeting for the year ending on 31st December, 2020	:	April, 2021

10.3 Record Date:

The Company has fixed Tuesday, 7th April, 2020 as the Record date for determining the shareholders to whom the dividend shall be paid.

10.4 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders from 16th April, 2020 onwards.

10.5 Dividend Policy:

The first issue of shares was made by the Company in the year 1985 at ₹10/- per share. Presently, the face-value of the equity shares is ₹2/- per share. Company is paying dividend from its very first full year of operation. From a modest dividend of 11% in 1987-88, the Company has been rewarding its shareholders with appropriate dividend. Keeping in view, the future cash flow requirements for the expansion and growth, for the Financial year 2019, the Board has recommended a final dividend of ₹1.50 per equity share. During the last 5 years, the Company has usually been maintaining the pay-out ratio of more than 20%. The Board of Directors have framed a Dividend Policy which is posted on the website of the Company.

10.6 Dividend history for the last 5 years is as under:

Financial year	Interim Dividend Rate (%)	Final Dividend Rate (%)	Total Dividend Rate (%)	Dividend Amt. (₹ in Crores)
2014	90	160	250	774.61
2015	80	60	140	434.53
2016	80	60	140	486.58
2017	80	100	180	714.83
2018	Nil	75	75	297.85

Note: The above dividend amount excludes the Dividend Distribution Tax.

10.7 Listing of Shares and Other Securities:

A. Equity Shares

The equity shares are at present listed on the following Stock Exchanges and the Listing fees have been duly paid to the Exchanges:

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

B. Debentures

There are no outstanding debentures.

C. GDRs

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

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

INE079A01024

E. Corporate Identity Number (CIN) :

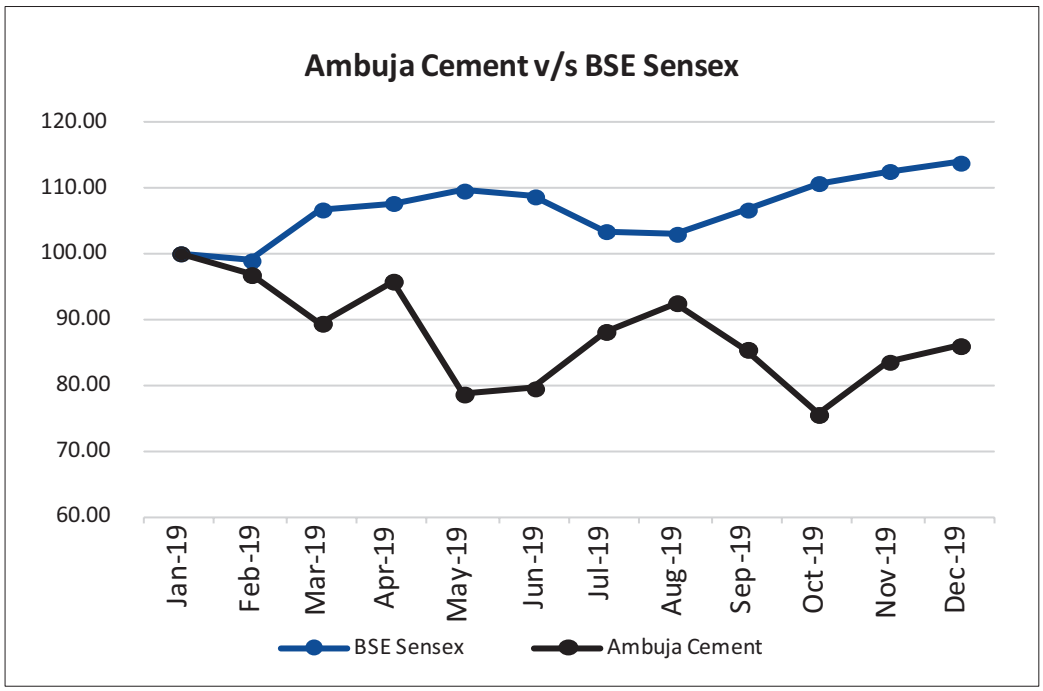
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10.8 Market Price Data:

The high / low market price of the shares during the year 2019 at the Bombay Stock Exchange Limited and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January-19	225.55	198.10	229.00	197.90
February-19	219.45	196.60	219.30	196.60
March-19	238.15	213.10	238.25	212.75
April-19	244.00	216.50	244.00	216.05
May-19	240.25	207.90	240.25	208.05
June-19	237.85	204.80	237.85	204.80
July-19	223.95	198.00	223.80	197.80
August-19	216.65	193.80	216.60	194.10
September-19	224.90	188.50	225.00	188.45
October-19	209.80	184.15	209.80	184.10
November-19	208.10	193.10	208.20	193.00
December-19	210.90	190.20	211.00	190.20

10.9 Performance in comparison to broad based indices:



10.10 Share Transfer Agents:

The details of the Registrar and Share Transfer Agents are:

Link Intime India Pvt Ltd,

C-101, 247 Park, L B S Marg,

Vikhroli (West), Mumbai – 400 083.

Tel : +91-022-4918 6000; Fax: +91-022-4918 060 Email:rnt.helpdesk@linkintime.co.in.

10.11 Share Transfer System:

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

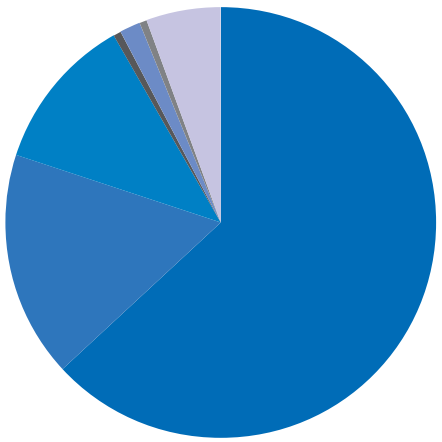
10.12 Distribution of Shareholding:

The shareholding distribution of the equity shares as on 31st December, 2019 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
Less than 50	94239	2120365	0.11
51 to 100	28031	2470337	0.12
101 to 500	29966	7702040	0.39
501 to 1000	8621	6660680	0.34
1001 to 5000	13322	34508268	1.74
5001 to 10000	2519	18095854	0.91
10001 to 50000	1613	31565799	1.59
50001 to 100000	139	9595424	0.48
100001 to 500000	222	48101489	2.42
500001 and above	160	1824824973	91.90
TOTAL	**178832**	**1985645229**	**100.00**

10.13 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st December, 2019 is given below:-



Category	No. of Shares	(%)
Foreign Promoters	1253156361	63.11
Foreign Investors (FIIS)	323847627	16.31
Mutual Funds, Banks & Institution	270349817	13.62
OCBs and NRIs	12155610	0.61
Body Corporates	7040111	0.35
GDR	8834600	0.44
Others	110261103	5.56
Total	**1985645229**	**100.00**

10.14 Dematerialisation of Shares:

About 99.37% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31st December, 2019.

10.15 Reconciliation of Share Capital Audit:

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

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

(i) The Company had issued Foreign Currency Convertible Bonds (FCCB) in the year 1993 and 2001. Out of the total conversion of these bonds into GDRs, 8834600 GDRs are outstanding as on 31st December, 2019 which is listed on the Luxembourg Stock Exchange. The underlying shares representing the outstanding GDRs have already been included in equity share capital. Therefore, there will be no further impact on the equity share capital of the Company.

(ii) The Company has issued warrants which can be converted into equity shares. The year-end outstanding position of the rights shares / warrants that are convertible into shares and their likely impact on the equity share capital is as under:-

A. Rights entitlement kept in abeyance out of the Rights Issue of equity shares and warrants to equity shareholders made in the year 1992

(₹ in Crores)

Sr. No.	Issue Particulars	Conversion rate (₹ per share)	Likely impact on full conversion	
			Share Capital	Share Premium
(i)	139830 Right shares	*6.66	0.03	0.07
(ii)	186690 Warrants	*7.50	0.04	0.10
	TOTAL		**0.07**	**0.17**

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

(iii) The diluted equity share capital of the Company upon conversion of all the outstanding convertible instruments will become ₹ 397.16 crores.

10.17 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The company does not have any exposure hedged through Commodity derivatives.

The company has well defined Forex Exchange Risk Management Policy approved by Board of Directors, forex exposure are duly hedged as per the said policy through plain vanilla forward covers.

10.18 List of all the Credit Rating:

During the year under review, the Company retained its domestic credit ratings of CRISIL AAA / A1+ from CRISIL for its bank loan facilities. During the year under review, the Company has not issued any debt instrument or any fixed deposit programme

10.19 Plant Locations:

Integrated Cement Plants

(i) Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat.
(ii) Darlaghat, District Solan, Himachal Pradesh.
(iii) Maratha Cement Works, Dist. Chandrapur, Maharashtra.
(iv) Rabriyawas, Dist. Pali, Rajasthan.
(v) Bhatapara, Dist. Raipur, Chhattisgarh.

Bulk Cement Terminals

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

Grinding Stations

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

10.20 Registered Office:

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

10.21 Address for Correspondence:

(a) **Corporate Office:** Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (East), Mumbai-400 059. Phone No: 022 – 40667000/ 66167000.

(b) **Exclusive e-mail id for Investor Grievances:** The following e-mail ID has been designated for communicating investors' grievances:- shares@ambujacement.com.

10.22 Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund

During the year under review, the final dividend amount for the year ended 31st December, 2011 and the interim dividend for the year 31st December, 2012 were transferred to the Investor Education and Protection Fund.

10.23 Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more is required to be transferred to an IEPF after complying with the procedure laid down under the Rules.

The Company in compliance with the aforesaid provisions and the Rules has transferred 32,32,965 equity shares of the face value of ₹2/- each belonging to 29,660 shareholders underlying the unclaimed dividends. The market value of the shares transferred is ₹ 63.45 crore considering the share price as on 31st December, 2019.

Members are requested to take note that the company has also initiated the process for transfer of the shares underlying the unclaimed / unpaid final dividend declared for the financial year 2012, which is due for transfer to IEPF Account during April, 2020. Members may after completing the necessary formalities, claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF.

Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Rules. Information on the procedure to be followed for claiming the dividend /shares is available on the website of the company.

10.24 Disclosure relating to Demat Suspense Account/Unclaimed Suspense Account

In accordance with the requirement of Regulation 34 (3) and Part F of the Schedule V of the Listing Regulations 2015, the Company report the following details in respect of equity shares lying in the Suspense account:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2019	2039	10,78,177
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during 2019	32	30,869
Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF)	279	29,429
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2019	1728	10,17,879

The voting rights on these shares will remain frozen till the rightful owner claims the shares.

11. Subsidiary Companies

The Company does not have any material unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations, 2015.

The Board of Directors of the Company periodically review the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Copies of the Minutes of the Board Meeting of the unlisted subsidiary Company were placed at the Board Meeting of the Company held during the year.

The Company has framed the policy for determining material subsidiary and the same is disclosed on the Company's website

Accordingly, the requirement of appointment of Independent Director of the Company on the Board of Directors of the material unlisted subsidiary companies as per Regulation 24 of the Listing Regulations does not apply.

WEBLINKS FOR THE MATTERS REFERRED IN THIS REPORT

Weblink for the policies/codes referred to the Corporate Governance Report are as under:-

Particulars	Website Link
Policy for selection, appointment & remuneration of Directors	https://www.ambujacement.com/Upload/PDF/policy-for-selection-appointment-and-remuneartion-of-directors.pdf
Familiarisation Programme for Independent Directors	https://www.ambujacement.com/Upload/PDF/Familiarisation-Programme-2020.pdf
Policy on Board Diversity	https://www.ambujacement.com/Upload/PDF/policy-on-board-diversity.pdf
Letter of Appointment to Independent Director	https://www.ambujacement.com/Upload/PDF/Letter-of-appointment-Independent-Directors.pdf
Code of Conduct	https://www.ambujacement.com/Upload/PDF/code-of-conduct-and-business-ethics-wef-01-01-2017.pdf
Insider Trading Code	https://www.ambujacement.com/Upload/PDF/Insider-Trading-Code-of-Conduct-18102019.pdf
Policy for determining material Subsidiary	https://www.ambujacement.com/Upload/PDF/Policy-for-determining-Material-Subsidiaries2019.pdf
Policy on materiality of Related Party Transaction	https://www.ambujacement.com/Upload/PDF/Policy-on-Related-Party-Transactions2019.pdf
Policy on determination & disclosure of materiality of events	https://www.ambujacement.com/Upload/PDF/Policy-for-Dissemination-of-Information-of-Stock-Exchange2019.pdf
Ethical View Policy (Vigil Mechanism & Whistle Blower Policy)	https://www.ambujacement.com/Upload/PDF/Ethical-View-Reporting-Policy-July-2019.pdf
CSR Policy	https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf
Details of unpaid and unclaimed dividends and shares transferred to IEPF	https://www.ambujacement.com/investors/transfer-of-unpaid-and-unclaimed-dividends-and-shares-to-iepf

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members
AMBUJA CEMENTS LIMITED
Ambuja Nagar - 362715
Taluka: Kodinar,
District: Gir Somnath
(Gujarat)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AMBUJA CEMENTS LIMITED - CIN L26942GJ1981PLC004717 (hereinafter referred to as 'the Company') having registered office at Ambuja Nagar - 362715, Taluka - Kodinar, District - Gir Somnath (Gujarat) and Corporate Office at Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify

that none of the Directors on the Board of the Company as stated below and who were on the Board of Directors of the Company as on 31st December, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1	Narotam Satyanarayan Sekhsaria	00276351	10/11/1982
2	Omkar Goswami	00004258	20/07/2006
3	Shailesh Vishnubhai Haribhakti	00007347	03/05/2006
4	Nasser Mukhtar Munjee	00010180	16/08/2001
5	Rajendra Prabhakar Chitale	00015986	04/07/2002
6	Shikha Sanjaya Sharma	00043265	01/04/2019
7	Martin Kriegner	00077715	11/02/2016
8	Ranjit Gobindram Shahani	00103845	01/04/2019
9	Mahendra Kumar Sharma	00327684	01/04/2019
10	Christof Werner Hassig	01680305	09/12/2015
11	Bimlendra Jha	02170280	18/02/2019
12	Praveen Kumar Molri	07810173	01/04/2019
13	Jan Philipp Jenisch	07957196	24/10/2017
14	Roland Lothar Eberhard Kohler	08069722	20/02/2018
15	Then Hwee Tan	08354724	18/02/2019

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

For Surendra Kanstiya Associates
Company Secretaries

Surendra U. Kanstiya
Proprietor
FCS 2777 CP No 1744
UDIN: F002777B000095760

Place: Mumbai
Date: 25.01.2020

Declaration Regarding Code Of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct for the Year 2019, as adopted by the Company.

Bimlendra Jha
Managing Director & CEO

Mumbai, Date: 18th February, 2020

TO THE MEMBERS OF
AMBUJA CEMENTS LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 5th March, 2019.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Ambuja Cements Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st December, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st December, 2019.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN No.: 20040081AAAAAN5936

Mumbai, 20th February, 2020

Business Responsibility Report for the year 2019

In terms of Regulation 34 of the Listing Regulations

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

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

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L26942GJ1981PLC004717
2. Name of the Company: AMBUJA CEMENTS LIMITED
3. Registered address: P. O. Ambujanagar, Taluka Kodinar, District Gir - Somnath, Gujarat- 362715
4. Website: www.ambujacement.com
5. E-mail id: secretarial@ambujacement.com
6. Financial Year reported: 01.01.2019 to 31.12.2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-Class	Description
239	2394	23941 23942	Manufacture of clinkers and cement

8. List three key products/services that the Company manufactures/provides (as in balance sheet): The key product that the Company manufactures is PORTLAND POZOLLANA CEMENT. We also produce Ordinary Portland Cement.
9. Total number of locations where business activity is undertaken by the Company
   i) Number of International Locations (Provide details of major 5): NIL
   ii) Number of National Locations: 82
10. Markets served by the Company –

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Equity Share Capital ₹ 397.13 Crores
2. Total Turnover ₹ 11352.76 Crores
3. Total profit after taxes ₹ 1528.54 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%): 4.09%

The Company carries on its CSR activities primarily through its arms Ambuja Cement Foundation and Ambuja Vidya Niketan Trust.

The Company has spent ₹ 62.57 Crores during the Financial Year 2019 on CSR activities. This amounts to 4.09 % of Profit After Taxes (PAT) for the year 2019.

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

All CSR activities conducted by the Company are in alignment with those identified under Schedule VII of Companies Act, 2013 and are listed as follows:

(Amount ₹ In Crore)

Sr. No.	CSR Project or activity identified under Schedule VII of Companies Act, 2013	Sector in which the Project is covered	Expenditure incurred during the period
1	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation.	18.38
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Education, Ambuja Manovikas Kendra, AmbujaVidyaNiketan, Skill And Entrepreneurship Development Institute (SEDI), Non Formal Education, Village Knowledge Centre.	17.06
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups.	Women Empowerment, Female Feticide, Self Help Group, Federation.	2.14
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed.	8.73
5	Rural development projects.	Rural Infrastructure Project	14.57
6	Measures for the benefit of armed forces veterans, war widows and their dependents.	Contribution to rehabilitation and welfare of Armed Forces.	0.00
7	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes,the Scheduled Tribes, other backward classes, minorities and women.	Contribution to National Tribal Dance Festival	0.10
		Total	60.98
	Overheads	Overheads	1.59
			62.57

SECTION C: OTHER DETAILS

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

Yes, the Company has 6 Subsidiary Companies as on 31st December, 2019.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?

If yes, then indicate the number of such subsidiary company(s):

No. The subsidiary companies do not participate in the BR initiatives of the parent Company.

Out of the 6 subsidiary companies as on 31st December, 2019, three companies do not carry any business operations. ACC Ltd., a listed company has its own BR Initiatives.

The business activities of the remaining subsidiary companies are not material in relation to the business activities of the Company.

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

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

- DIN Number: 02170280
- Name: Mr. Bimlendra Jha
- Designation: Managing Director & Chief Executive Officer

b) Details of BR head

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

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

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy / policies for	Y	Y	Y	–	–	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	-	Y	-
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	-	Y	-	Y	-
5	Does the company have a specified committee of the Board / Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	-
Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Indicate the link for the policy to be viewed online? www.ambujacement.com	https://www.ambujacement.com/Upload/PDF/Ethical-View-Reporting-Policy-July-2019.pdf	https://www.ambujacement.com/Upload/PDF/Sustainability-Policy-June2019.pdf	https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf	https://www.ambujacement.com/Sustainability/Stakeholder-engagement	https://www.ambujacement.com/Sustainability/Stakeholder-engagement	https://www.ambujacement.com/Upload/PDF/Sustainability-Policy-June2019.pdf https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf	-	https://www.ambujacement.com/Upload/PDF/Sustainability-Policy-June2019.pdf	https://www.ambujacement.com/Upload/PDF/code-of-conduct-and-business-ethics-wef-01-01-2017.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	N	N	Y	N	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	-	Y	-	Y	-	Y	Y

9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	-	Y	-	Y	-	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	-	Y	N	Y	-	Y	-

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

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

3. Governance related to BR

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

  The M.D. & CEO assesses the BR performance of the Company on a Quarterly basis which is then appraised to the Board at its quarterly meetings as a part of larger presentation on sustainability. The CSR and Sustainability Committee is also appraised about the BR performance bi-annually at its meetings.

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

  The Company publishes its Sustainability Report on an Annual basis which is GRI Standards compliant i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, www.ambujacement.com/ Sustainability/sustainability-reports.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

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

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

The policies relating to ethics, bribery and corruption as well as the Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company. These policies are more or less aligned with the policies of the parent company.

The Group /Joint Venture companies have their own policies which are also aligned with the policies of the parent company.

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

During the year 2019, a total of 51 complaints have been filed. Of these, based on the pre-assessment of the EthicalView Committee, 11 complaints did not warrant further investigation. 34 complaints were investigated and concluded whereas 6 complaints are still under investigation. The cases investigated were mainly of the nature of alleged bribery / kickbacks, theft, violation of Code of Conduct etc. Appropriate actions have been taken where the case is proved. These were in the form of termination, transfer and issue of warning letters to employees and termination of contract / blacklisting of vendor, recovery of penalty etc. The financial impact of these cases were insignificant and caused no damage to the Company.

PRINCIPLE 2

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

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

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

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

   In 2019, Clinker Factor was 64.91% with fly ash utilization of 32.50% in PPC and Composite Cement, thus saving natural resources like limestone. We also co-process plastic, industrial & hazardous waste from different industries as alternative fuel. The Company also co-processes biomass in its kilns and thermal power plants.

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

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

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

Consumption per unit of Production	Industry Norms	Current Year (Jan to Dec 2019)	Previous Year (Jan to Dec 2018)
Electricity (KWH/T of Cement)	100	77.27	76.63
LDO (Ltr/T of Clinker)	N.A.	0.14	0.13
Coal and other Fuels (K.Cal/Kg of Clinker)	800	769	760

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

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

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

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

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

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

   Since the year 2017, Company has engaged Avetta, leading Global Consultant in Supplier Qualification, who helped the company in qualifying High Risk- High Spend Suppliers and Contractors by screening them on the various counts related to Sustainable Procurement such as H & S, Labour, Environment and Bribery & Corruption.

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

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

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

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

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

PRINCIPLE 3

Businesses should promote the wellbeing of all employees.

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

   - Management Staff : 3562
   - Blue Collar Employees : 1506
   - Total : 5068

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

- Total Contractual employees :

i.	Shipping Sailing Staff	:	122
ii	Others	:	26
iii	Third Party	:	6392

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

- Permanent : 97
- On Probation : 28

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

- Disabilities : 6

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

Yes, we have recognised trade unions affiliated to either of INTUC / AITUC / BMS.

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

30% of our permanent employees are members of this recognized employee Association.

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

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

There are no complaints pending as on 20th Febraury, 2020.

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

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

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

PRINCIPLE 4

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

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

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

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

The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/contractual workers and truck drivers. Disabled children and youth emerged as a separate group and hence are catered through education and skill development program. Women in the communities are reached out to through the Women Empowerment Program.

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

A comprehensive stakeholder engagement program operates to facilitate several initiatives for engagement of different stakeholders.

'We Care' developed for promoting a serious safety culture in Ambuja. Continuous trainings on safety are held with employees, truckers, contract workers and the community to ensure 'Zero Harm' level. Site Specific Impact Assessment (SSIA) are conducted cyclically as formal process to address the concerns and the felt needs of stakeholders at the manufacturing sites. The communities and its people being identified as important stakeholders, Ambuja Cement Foundation (ACF) stands responsible for being the link between the company and the community. ACF has promoted strategic social investment through planning its development interventions. All the programs have defined goal and objectives and aim to specially focus the underprivileged and marginalized section of communities. Community Advisory Panels (CAP) have been created with representation of both Ambuja and other stakeholders including the community. It promotes communication between the plant, stakeholders and its neighbouring community. ACF's work is annually reviewed by its stakeholders through the Social Engagement Scorecard (SES) exercise.

PRINCIPLE 5

Businesses should respect and promote human rights.

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

   The company refers to the guidelines provided by the parent company LafargeHolcim and uses it as a tool for assessment of Human Rights impacts at its places of operations.

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

   No stakeholder complaints were received during the last financial year.

PRINCIPLE 6

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

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

   The company has various policies in place to reduce any negative effects of manufacturing operations and activities in the value chain of our business. While our Corporate Environment Policy covers operations only at Ambuja Cements Limited, our Green Procurement policy, Climate Change policy, CSR Policy and Sustainability Policy extend our efforts to monitor and protect environment in our value chain by including the suppliers, community, distributors and transporters to minimise our environmental impact.

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

   Yes. Ambuja has a formalized Sustainability Policy, Green Procurement Policy, and Climate Change Mitigation Policy that are also communicated on our website in public domain. The Environment policy was last reviewed in 2017 and the Sustainability Policy was last reviewed in 2019 to strengthen sustainable development in our business value chain. The policies help deliver our envisaged commitments for climate change mitigation and adaptation at planning and operations level in the most responsible and fruitful manner. The Company has always been proactive in measuring & reporting its carbon emissions as per the protocol of the World Business Council on Sustainable Development (WBCSD). Scope-3 carbon emission from all our plants are verified by an independent third party. The Company also discloses its carbon emissions and water footprints annually in the Carbon Disclosure Project [CDP]. Further, we also keep our stakeholders informed on our sustainable development performance including CO2 emissions through our annual GRI based Sustainability Report. Ambuja has consistently implemented various new initiatives and innovations to reduce its emissions from its value chain and will continue to adopt strategies to address global warming and ensure a low carbon growth path for our operations. The company's website also contains information on our Sustainability endeavours. [See: http://www.ambujacement.com/Sustainability].

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

   Yes. The Company regularly assesses the environmental risks emanating from our operations and as a part of the sustainability strategy, various initiatives are undertaken to address these risks. We have a structured process to carry out risk assessment dealing with business and environment all across the organisation on an annual basis. In addition, a comprehensive study was also conducted in 2018 by a third party to identify the potential financial impacts of the climate change related risk. This study was based on the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). The Company also conducted a comprehensive stakeholder engagement Materiality Review during 2018 to get a good understanding of the company's obligations to its various stakeholders, internal as well as external, consistent with the business's commitment to corporate responsibility and to find out the material issues, risks and opportunities. During 2018, we also developed Environmental Product Declaration (EPD) for our low carbon Portland Pozzolona Cement (PPC) and Compocem products which were verified by an independent third party and registered on the global platform 'Environdec' for consumer and stakeholder communication of the environmental performance of our products. Additionally, all our operations are certified to international Environment Management System (ISO 14001).

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

   Yes, the company participates in the Global Program of Clean Development Mechanism (CDM). Our first project of the use of biomass for power generation at Ropar plant earned 17,727 CERs (Certified Emission Reduction) which could earn us ₹ 1.60 Crores in the year 2011. CDM project on Waste Heat Recovery [WHR] based power generation at our unit at Rabriyawas has been registered with UNFCCC in 2015 after successful Validation by DOE. This project is designed to accrue 35000/year Certified Emission Reductions (CERs) for the next 10 years. There is no requirement for filing environment compliance report as per Host Country Approval.

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

   Yes. The Company has strong focus on clean technology, energy efficiency and renewable energy. Our renewable energy portfolio includes; 15 MW biomass-based power plant at Ropar (established in 2005), a 7.5 MW wind power station in Kutch (Gujarat) (established in 2011), a 330 kWp solar power station at Bhatapara (Chhattisgarh) (established in 2012), a 55.14 kWp rooftop solar PV project at Gurgaon Regional Office (established in 2014) and a new 6.5 MW waste heat recovery (WHR) based power generation system at our Rajasthan plant, commissioned in 2015. WHR system increases fuel efficiency and optimises power costs. In Ambujanagar, 15Kw Solar panel has been inserted for MPSS lighting and battery backup. Existing ACL captive power plants also use biomass. The renewable energy certificates (RECs) earned and the power-mix cost optimisation at our cement plants add value

to ACL's power sourcing strategy and RPO compliance. We are in process of setting up some solar power projects, such as onsite 7.14 MW solar power project at Rabriyawas (Rajasthan), 11.5 MW offsite project at Bhatapara, 9.4 MW offsite project at Dadri, and 12MW onsite project at Ambujanagar (Gujarat). These are likely to be in operation by 2021. WHR projects under planning are: 19.5 MW at Darlaghat (Himachal Pradesh), 19.5MW at Bhatapara (Chhattisgarh). Subsequently, we will set up WHR projects at Maratha (Maharashtra) and Ambujanagar (Gujarat).

Additionally, under the brand "Geocycle", we co-process industrial wastes from other industries in our kilns as alternative fuel. This helps us in reducing the use of coal, necessary for conservation of natural resources as well as greenhouse gas mitigation. During 2019, we co-processed about 3.1 Lakh tons of alternative fuels substituting 5.36% of total thermal energy by use of alternative fuels. The company monitors its specific thermal & electrical energy consumption and employs measures for improving energy efficiency. All five of our integrated units, Six of our grinding units, and one bulk cement terminal have implemented energy management system as per ISO 50001:2011 & attained certification to the international standard. A detailed list of various energy efficiency measures taken during 2019 are discussed at length in the Annexure - VII to the Director's Report.

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

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

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

There are 3 (three) cases that are pending in different Courts, involving environment related issues as on end of the Financial Year.

PRINCIPLE 7

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

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

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

a. Confederation of Indian Industry (CII)

b. Bombay Chamber of Commerce and Investments (BCCI)

c. Cement Sustainability Initiative (CSI), a body of World Business Council for Sustainable Development (WBCSD).

d. Global Compact Network India (GCNI).

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

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

We continue to advocate/work closely with business chambers such as CII and FICCI for advocating good practices in the industry and policy interventions in environment governance and administration, inclusive development policies (such as implementation of SDGs), climate change, water and energy security and sustainable business principles. Ambuja has also been an active member of erstwhile Cement Sustainability Initiative (CSI) India of the World Business Council for Sustainable Development (WBCSD) to work on several sustainability initiatives and training as well as best practices in the cement industry. This association has led to development of "Indian Cement Sector SDG Roadmap" that identified the most relevant development goals for the sector and the potential risks and opportunities in the areas of the identified SDGs. Ambuja played an instrumental role in sharing the case studies to share the possible applications that can be aspired by other players in the industry, and lead the sector to a low carbon economy model. We have also participated in the development of the Low Carbon Technology Road Map for Indian Cement sector and WBCSD's India Water Tool and engagement as one of the Co-chairs of SDGs road map for cement industry under the aegis of CSI. Ambuja will continue to participate and contribute in sustainability initiatives of the WBCSD. We have been a regular recipient of CII Sustainability Awards under the category of Corporate Excellence for the Corporate Sustainability and in the domains of Environment Management & CSR function at our unit level. This Award recognises India's most sustainable companies for their outstanding achievements and commitment to shaping a future that is more sustainable and inclusive. We had completed a detailed Life Cycle Analysis (LCA) and Environment Product Declaration (EPD) for all our units. Earlier, Ambuja Cement became the first Indian company in 2014 when it got the prestigious Certification on Sustainable Product labelling, "PRO-SUSTAIN" for PPC production from its Darlaghat plant from a leading global certification body. The "ProSustain" certification implies that the Company promotes the adoption of responsible and cost effective measures for incorporating sustainability into product design, development, production and supply chain management. Ambuja will continue to work towards receiving green labelling for our products to communicate and educate our customers to make responsible and informed decision to differentiate and purchase sustainable products. Ambuja also associated with some of the above associations in initiatives that collaborate with government agencies like Niti Aayog and coincide with our business objective in the field of circular economy. These initiatives will also benefit the community by arresting pollution and improving living conditions.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

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

Yes, The Company has developed need based and focused development programs. Important stakeholders groups are meaningfully engaged at various stages of program development and implementation. The programs focus on the contextual needs of the community and can broadly be divided in following categories

1. Water Resource Management: Water and Land Resources
2. Livelihood Promotion: Agro based Livelihoods and Skill based Livelihoods
3. Social Development: Community Health and Sanitation, Women Empowerment and Education
4. Rural Infrastructure Development

The Company attempts to respond to the local development needs and national priorities through its development initiatives. While doing the same the Company promotes innovative strategies to intensify the reach and effectiveness of the programs.

Our thrust areas are well aligned to the schedule VII of Section 135 of the Companies Act, 2013 and compliment the nation's need for inclusive growth. The company through its Site Specific Impact Assessment (SSIA), identifies various opportunities and risks for critical stakeholders of the plant. The action plan created ensures equitable development and inclusive growth.

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

Ambuja Cement Foundation (ACF) is a CSR arm of the Company. ACF was established in 1993 and all the development initiatives of the Company are undertaken by ACF. ACF mainly works with the neighboring communities of ACL and other vulnerable stakeholders. All the development programs are implemented in house by ACF with its teams across plants.

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

ACF follows a systematic approach to review the performance of the programs on a regular basis. Both the inputs and outputs are mapped with the help of a customized monitoring system developed at ACF. Evaluation and impact assessments are undertaken at every critical phase of the program or at the maturity stage of the project. These assessments are undertaken by internal expert or external consultants and organizations specialising in the subject. During the year, some important assessments were carried out including Social Return on Investment for six skill training centres, the details of the same are provided in the Foundation's annual report (www.ambujacementfoundation.org).

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

Ambuja Cements Ltd (ACL) has spent ₹ 62.57 crores on CSR in 2019. The Company has been mainly focusing on development of communities around its manufacturing sites through ACF. ACF's work in community development is in line with its mission statement "Energise, involve and enable communities to realize their potential". The Foundation reaches out to 26.4 lakh people across 32 locations in 11 states of India. The thematic areas include water resource management, livelihood promotion, social development and infrastructure development.

Water resource management program focuses on water conservation, promotion of safe drinking water and judicial use of water through promotion of micro irrigation. Local issues such as water scarcity in desert, salinity in coastal region, overexploitation of groundwater are addressed through strategic efforts.

Agro based livelihood promotion efforts include Krishi Vigyan Kendra (KVK), promotion of Systematic Rice Intensification (SRI), organic farming, agro-forestry and horticulture promotion. One of the significant programs is Better Cotton Initiative (BCI) expanding its reach to about 1.69 lakh farmers. 33 Skill and Entrepreneurship Development Institutes (SEDIs) have trained over 62,921 youth.

Community health and sanitation program promotes healthy and productive neighbourhood communities. Raising awareness on health issues in rural communities helps in influencing the health seeking behaviour of community members. Under sanitation program household sanitation and sanitation in community school is promoted. Construction of toilets by mobilizing communities and resources from other sources is undertaken.

Ambuja Hospital Trust is a non-profit trust promoted by ACL to provide healthcare services to the community surrounding ACL's plant at Kodinar. Kodinar is a remote rural area with the nearest urban centre and multispecialty healthcare services being located more than 200 kilometres away. In 2019, the Ambujanagar Multispecialty Hospital reached out to about 44755 patients.

Education program in communities ensures quality education for children in government run schools. Ambuja Manovikas Kendra, Ropar, Punjab caters to children with disabilities. Further, the company promotes education in the five integrated plants through Ambuja Vidya Niketan Trust (AVNT). All five AVNTs are affiliated with CBSE and provide quality education to children of Ambuja employees as well as from the community.

Women empowerment program promotes economic and social development through income generation and Self Help Groups (SHGs). 2697 such SHGs have been formed with total 30683 members and a total corpus of 11.51 crore. At various locations these SHGs have come together to federate themselves into 7 Women Federations. These Federations of women actively engage in addressing local issues. Infrastructure development engages local communities in developing and maintaining community assets.

As a result of this robust and impactful approach, substantial funding is received from the government and other funders. With external funding ACF has been able to extend the scale and outreach of some programs and the same has positively influenced livelihood options for community.

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

Keeping in line with its mission to Energise Involve and Enable communities. ACF involves local people throughout the program cycle i.e. needs assessment, project planning, implementation and for monitoring. The focus has been on building capacities within the communities and creating local institutions which ensure ownership among the communities for the projects and sustains the development efforts. The approach has resulted in enabling and empowering local people's institution such as Women's Federations, Farmer Producer Companies, Water User Associations, among others.

PRINCIPLE 9

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

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

We have a formal system of receiving Customer complaints through Toll free number. In 2019 we received 1012 Customer queries/ complaints through toll free number, all of them have been resolved.

As regards consumer cases, 20 consumer cases were pending before different Forums/Commissions/ Courts at the beginning of the year. During the year 4 consumer case was filed and 1 case was disposed-off leaving a balance of 23 pending cases as on end of the financial year 2019.

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

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

We print sustainable product labelling like Pro - Sustain for which our Darlaghat plant is already certified.

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

The details of the complaints filed are as under:-

Sr. No.	Particulars	Remarks / Status
1.	The Competition Commission of India passed an Order dated 31st August, 2016, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company is ₹ 1163.91 Crore.	Against the Order passed by CCI, the Company had filed Appeal in the Appellate Tribunal and obtained stay against the operation of CCI's Order, subject to deposit of 10% penalty in the form of Fixed Deposit. The Appeal was dismissed by the National Company Law Appellate Tribunal (NCLAT) on 25th July 2018. Against the judgment passed by NCLAT, the Company has filed Appeal in the Supreme Court. On 5th October 2018, the Supreme Court has admitted the Appeal and ordered continuation of interim orders passed by the Tribunal in the meantime, and, as such, the deposit continues @10%.
2.	State of Haryana has filed a complaint alleging cartelization in the tender for supply of cement by some cement companies including Ambuja Cements Ltd.	Against the Order passed by CCI, the Company has filed Appeal in the NCLAT and obtained stay against the operation of CCI's Order. The Appeal is being heard by the National Company Law Appellate Tribunal.

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

Yes. To fine tune its market offerings and products, the company carries out periodic customer satisfaction and consumer perception surveys. These are carried out as per global standards like Nielsen's Brand Equity Index (BEI), Net Promoter Score (NPS) & other research agencies. The feedback of various programs for customers/ influencers education is also taken. The Net Promoter Survey was carried out in 2019, it covered all channel partners in trade across India and received a NPS score of 59.

Independent Auditor's Report

To The Members of Ambuja Cements Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ambuja Cements Limited ("the Company"), which comprise the Balance Sheet as at 31st December 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and which includes a joint operation accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operation referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to the following matters in Notes 48(b)(i) and 48(b)(ii) to the standalone Ind AS financial statements:

a. In terms of order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order passed 25th July, 2018 had upheld the CCI's Order. The Company's appeal against the said judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated 5th October, 2018 with a direction that the interim order passed by the Tribunal would continue.

b. In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI vide its order dated 19th January, 2017 had imposed penalty of ₹ 29.84 crores on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals, supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** (Refer Notes 3L and 48, read along with Emphasis of Matter in Independent Auditor's Report to the standalone financial statements) The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views, possible basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'; • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the Management from external law firms to challenge the basis used for provisions recognised or the disclosures made in the standalone financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions. • For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities..
2.	**Income tax provision :** (Refer Notes 3R, 29 and 30 to the standalone financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes / litigations • Provision for tax involves interpretation of various rules and law thereof. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2019 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provision. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information, compare with the financial statements of the joint operation audited by the other auditors, to the extent it relates to the joint operation and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operation, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The respective Board of Directors of the Company and its joint operation is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of a joint operation included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 0.68 crores as at 31st December 2019 and total revenue of ₹ 0.04 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of this joint operation have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this joint operation and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation, is based solely on the report of such other auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the joint operation, referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operation so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 48 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, on the basis of information available with the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 20040081AAAAAL7639)

Place : Mumbai
Date : 20th February, 2020

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone Ind AS financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2019)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ambuja Cements Limited ("the Company") as of 31st December, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 20040081AAAAAL7639)

Place : Mumbai
Date : 20th February, 2020

Annexure "B" to the Independent Auditor's Report

Standalone

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone Ind AS financial statements for the year ended 31st December, 2019 of Ambuja Cements Limited)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) (i) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / other relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

(₹ in Crore)

Particulars of the land and building	Gross block as at 31st December, 2019	Net Block as at 31st December, 2019	Total number of cases	Remarks
Freehold land	1.30	1.30	12	Title deeds are in the name of the wholly owned subsidiary and entities taken over/ merged with the company.

(ii) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees to directors / to a company in which a director is interested, to which the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. Further the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st December, 2019 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacture of cement. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st December, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st December, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending (₹ in Crore)				
			Commisionerate	Appellate authorities and Tribunal	High Courts	Supreme Court	Total
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Demand of sales tax/ Additional purchase tax, Interest and Penalty	1988-89 to 2017-18	34.09	10.67	92.20	112.92	249.88
Customs Act, 1962	Demand of Customs Duty, interest and penalty	2000-01 to 2013-14	1.87	39.50	-	-	41.37
Central excise Act, 1944	Demand of Excise duty, Denial of Cenvat Credit, Interest and Penalty	1994-95 to 2017-18	8.07	18.25	0.18	4.41	30.91
Finance Act, 1994	Denial of service tax credit and penalty	2004-05 to 2017-18	7.79	160.92	0.01	-	168.72
Income Tax Act, 1961	Income tax and Interest	AY 2007-08 to AY 2013-14	172.29	15.56	-	-	187.85

Amounts given above are net of amounts deposited.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to government. The Company did not have any outstanding loans or borrowings in respect of a financial institution or bank or dues to debenture holders during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 20040081AAAAAL7639)

Place : Mumbai
Date : 20th February, 2020

Balance Sheet as at 31st December, 2019

Standalone

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	5,633.62	5,563.19
b) Capital work-in-progress (Refer Note 7)		1,108.70	610.02
c) Goodwill	5	-	-
d) Other intangible assets	6	178.83	100.41
e) Investments in subsidiaries and joint venture	8	11,789.01	11,813.76
f) Financial assets			
i) Investments	9	-	-
ii) Loans	11	62.90	60.34
iii) Other financial assets	12	372.94	217.15
g) Non-current tax assets (net) (Refer Note 31)		176.64	207.65
h) Other non-current assets	13	819.99	873.86
Total - Non-current assets		20,142.63	19,446.38
2 Current assets			
a) Inventories	14	954.07	1,277.76
b) Financial assets			
i) Trade receivables	15	513.22	470.26
ii) Cash and cash equivalents	16	4,512.29	3,150.33
iii) Bank balances other than cash and cash equivalents	17	187.20	179.64
iv) Loans	18	4.51	4.29
v) Other financial assets	19	228.87	238.57
c) Other current assets	20	423.19	419.45
		6,823.35	5,740.30
d) Non-current assets classified as held for sale	21	24.75	-
Total - Current assets		6,848.10	5,740.30
TOTAL - ASSETS		26,990.73	25,186.68
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	22	397.13	397.13
b) Other equity	25	21,808.05	20,615.40
Total Equity		22,205.18	21,012.53
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	26	35.28	39.68
ii) Other financial liabilities	27	0.62	1.18
b) Provisions	28	50.34	38.53
c) Deferred tax liabilities (net)	29	216.06	372.16
d) Other non-current liabilities	32	35.83	7.17
Total - Non-current liabilities		338.13	458.72
2 Current liabilities			
a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro and small enterprises	33	1.09	0.52
Total outstanding dues of creditors other than micro and small enterprises		934.89	1,108.94
ii) Other financial liabilities	34	782.04	616.17
b) Other current liabilities	35	1,737.81	1,293.65
c) Provisions	36	85.37	91.05
d) Current tax liabilities (net) (Refer Note 31)		906.22	605.10
Total - Current liabilities		4,447.42	3,715.43
Total Liabilities		4,785.55	4,174.15
TOTAL - EQUITY AND LIABILITIES		26,990.73	25,186.68

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Shailesh Haribhakti
Director
DIN - 00007347

Shikha Sharma
Director
DIN - 00043265

Omkar Goswami
Director
DIN - 00004258

Christof Hassig
Director
DIN - 01680305

Ranjit Shahani
Director
DIN - 00103845

Mahendra Kumar Sharma
Director
DIN - 00327684

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

Statement of profit and loss for the year ended 31st December, 2019

Standalone

Particulars			Notes	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
1	**Income**				
	a)	Revenue from operations	37	**11,667.88**	11,356.76
	b)	Other income	39	**426.52**	374.98
		Total Income		**12,094.40**	11,731.74
2	**Expenses**				
	a)	Cost of materials consumed	40	**994.42**	1,013.08
	b)	Purchase of stock-in-trade	41(a)	**88.27**	5.96
	c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	41(b)	**42.80**	(72.87)
	d)	Employee benefits expense	42	**672.63**	679.57
	e)	Finance costs	43	**83.52**	82.33
	f)	Depreciation and amortisation expense	44	**543.83**	548.09
	g)	Power and fuel		**2,586.42**	2,545.84
	h)	Freight and forwarding expense	45	**3,094.20**	3,277.57
	i)	Other expenses	46	**2,046.44**	2,017.14
				10,152.53	10,096.71
	j)	Self consumption of cement		**(6.15)**	(0.99)
		Total Expenses		**10,146.38**	10,095.72
3	**Profit before exceptional items and tax (1-2)**			**1,948.02**	1,636.02
4	Exceptional items		59	**-**	129.95
5	**Profit before tax (3-4)**			**1,948.02**	1,506.07
6	**Tax expense**		30		
	a)	For the current year			
		i) Current tax - charge		**573.00**	478.00
		ii) Deferred tax - (credit)		**(153.52)**	(86.93)
	b)	Relating to earlier years			
		i) Current tax - (credit)	31	**-**	(372.01)
				419.48	19.06
7	**Profit for the year (5-6)**			**1,528.54**	1,487.01
8	**Other comprehensive income**				
	Items not to be reclassified to profit or loss in subsequent periods				
	Remeasurement gains / (losses) on defined benefit plans			**(6.97)**	2.82
	Tax adjustment on above			**2.58**	(0.73)
	Total other comprehensive income			**(4.39)**	2.09
9	**Total comprehensive income for the year (7+8)**			**1,524.15**	1,489.10
10	**Earnings per share of ₹ 2 each - in ₹**		47		
	Basic			**7.70**	7.49
	Diluted			**7.70**	7.49

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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

Rajendra P. Chitale
Chairman - Audit Committee
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Director
DIN - 00327684

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
A Equity share capital	**22**		
Opening balance		**397.13**	397.13
Changes during the year		**-**	-
Closing balance		**397.13**	397.13

B Other equity

Particulars	Reserves and surplus (Refer Note 25)							
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidies	Capital contribution from parent	Retained earnings	Total other equity
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Balance as at 31st December 2017	130.71	12,471.07	5,655.83	9.93	5.02	-	1,303.52	19,576.08
Profit for the year	-	-	-	-	-	-	1,487.01	1,487.01
Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	2.09	2.09
Total comprehensive income for the year	-	-	-	-	-	-	1,489.10	1,489.10
Equity dividend paid for the year 2017 (Refer Note 24)	-	-	-	-	-	-	(397.13)	(397.13)
Dividend distribution tax on above (Refer Note 24)	-	-	-	-	-	-	(52.65)	(52.65)
Balance as at 31st December 2018	130.71	12,471.07	5,655.83	9.93	5.02	-	2,342.84	20,615.40
Balance as at 31st December 2018	**130.71**	**12,471.07**	**5,655.83**	**9.93**	**5.02**	**-**	**2,342.84**	**20,615.40**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,528.54**	**1,528.54**
Other comprehensive income (net of tax expenses)	**-**	**-**	**-**	**-**	**-**	**-**	**(4.39)**	**(4.39)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,524.15**	**1,524.15**
Share based payment (Refer Note 49)	**-**	**-**	**-**	**-**	**-**	**0.53**	**-**	**0.53**
Equity dividend paid for the year 2018 (Refer Note 24)	**-**	**-**	**-**	**-**	**-**	**-**	**(297.85)**	**(297.85)**
Dividend distribution tax on above (Refer Note 24)	**-**	**-**	**-**	**-**	**-**	**-**	**(34.18)**	**(34.18)**
Balance as at 31st December 2019	**130.71**	**12,471.07**	**5,655.83**	**9.93**	**5.02**	**0.53**	**3,534.96**	**21,808.05**

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Mumbai, 20th February, 2020

For and on behalf of the Board of Directors

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

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Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Cash Flow Statement for the year ended 31st December, 2019

Standalone

Particulars	Notes	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
(A) Cash flows from operating activities			
Profit before tax		**1,948.02**	1,506.07
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	44	**543.83**	548.09
Loss on property, plant and equipment sold, discarded and written off (net)		**9.95**	14.60
Dividend income from subsidiary	39	**(131.58)**	(140.98)
Dividend income from joint venture	39	**(1.66)**	-
Gain on sale of current financial assets measured at FVTPL	39	**(27.84)**	(44.18)
Net gain on fair valuation of liquid mutual fund measured at FVTPL	39	**(2.74)**	(0.51)
Finance costs	43	**83.52**	82.33
Interest income	39	**(235.06)**	(153.27)
Provision / (reversal) for slow and non moving spares		**3.48**	(0.03)
Discounting income on interest free loan		**-**	(8.81)
Unrealised exchange loss (net)		**0.21**	0.60
Fair value movement in derivative instruments		**0.13**	0.09
Provision against loan to a subsidiary and interest thereon	59(b)	**-**	48.54
Interest on income tax written back	31	**(27.49)**	(35.88)
Provisions no longer required written back	37	**(3.80)**	(7.56)
Impairment losses on financial assets (net)		**6.03**	-
Provision for employee stock option expenses	49	**0.53**	-
Inventories written off		**11.50**	2.41
Bad debts, sundry debit balances and claims written off / written back (net)		**0.08**	2.17
Profit on buy back of shares of joint venture		**-**	(0.16)
Operating profit before working capital changes		**2,177.11**	1,813.52
Changes in Working Capital			
Adjustments for Decrease / (Increase) in operating assets			
Decrease / (Increase) in Trade receivables, loans & advances and other assets	11-13,15, 17-20	**(199.80)**	(356.05)
Decrease / (Increase) in Inventories	14	**308.71**	(227.64)
Adjustments for Increase / (Decrease) in operating liabilities			
Increase / (Decrease) in Trade payables, other liabilities and provisions	26-28, 32-36	**278.77**	(32.92)
Cash generated from operations		**2,564.79**	1,196.91
Direct taxes paid (net of refunds) (Refer Note 1 in cash flow and Note 31)		**(80.75)**	(625.03)
Net cash flow from operating activities (A)		**2,484.04**	571.88
(B) Cash flows from investing activities			
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)		**(1,117.77)**	(597.33)
Proceeds from sale of property, plant and equipment		**6.34**	3.72
Proceeds from buyback of shares of joint venture		**-**	1.50
Inter corporate deposits and loans given to subsidiaries		**(0.26)**	(0.18)
Gain on sale of current financial assets measured at FVTPL		**27.84**	44.18
Investments in bank deposits (having original maturity of more than 3 months and upto 12 months)		**(4,307.85)**	(118.53)
Redemption of bank deposits (having original maturity of more than 3 months and upto 12 months)		**4,299.23**	124.16
Investments in bank deposits (having original maturity of more than 12 months)		**(0.91)**	(0.84)
Redemption of bank deposits (having original maturity of more than 12 months)		**5.87**	-

Cash Flow Statement for the year ended 31st December, 2019

Standalone

Particulars	Notes	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Dividend received from subsidiary	39	**131.58**	140.98
Dividend received from joint venture	39	**1.66**	-
Interest received		**216.24**	148.01
Net cash used in investing activities (B)		**(738.03)**	(254.33)
(C) Cash flows from financing activities			
Proceeds from non-current borrowings		**-**	21.55
Interest paid		**(55.82)**	(51.30)
Net movement in earmarked balances with banks		**1.06**	1.16
Dividend paid on equity shares		**(297.85)**	(397.13)
Dividend distribution tax paid		**(34.18)**	(52.65)
Net cash used in financing activities (C)		**(386.79)**	(478.37)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**1,359.22**	(160.82)
Cash and cash equivalents			
Cash and cash equivalents at the end of the year (Refer Note 16)		**4,512.29**	3,150.33
Adjustment for fair value (gain) / loss on liquid mutual funds measured through profit and loss (Refer Note 39)		**(2.74)**	(0.51)
		4,509.55	3,149.82
Cash and cash equivalents at the beginning of the year (Refer Note 16)		**3,150.33**	3,310.64
Net increase / (decrease) in cash and cash equivalents		**1,359.22**	(160.82)

Notes:

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".
3. Changes in liabilities arising from financing activities :

Particulars	As at 31st December 2018 ₹ in crore	Cash flow changes		Non-cash flow changes		As at 31st December 2019 ₹ in crore
		Receipts ₹ in crore	Payments ₹ in crore	Unwinding charges ₹ in crore	Other changes ₹ in crore	
Non-current borrowings (Refer Note 26)	39.68	-	-	**1.38**	**(5.78)**	**35.28**
Current maturities of non-current borrowings (Refer Note 34)	-	-	-	**-**	**5.78**	**5.78**
Total	39.68	**-**	**-**	**1.38**	**-**	**41.06**

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Shailesh Haribhakti
Director
DIN - 00007347

Shikha Sharma
Director
DIN - 00043265

Omkar Goswami
Director
DIN - 00004258

Christof Hassig
Director
DIN - 01680305

Ranjit Shahani
Director
DIN - 00103845

Mahendra Kumar Sharma
Director
DIN - 00327684

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

1. Corporate Information

Ambuja Cements Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO MTF Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The Company's principal activity is to manufacture and market cement and cement related products.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 20th February 2020

The financial statements have been prepared on a historical cost basis, except for the following:

A. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

B. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

C. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition

The accounting policies are applied consistently to all the periods presented in the financial statements. Financial statements are presented in ₹ which is the functional currency of the Company and all values are rounded to the nearest crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at transition date (1st January 2016) measured as per the previous GAAP. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the statement of profit and loss.

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using "Written down value method" for assets related to Captive Power Plant and using "Straight line method" for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold land	Amortised over the period of lease
Buildings, roads and water works	30 – 60 years
Plant and equipment	10-25 years
Assets related to Captive Power Plant	40 years
Railway sidings and locomotives	15 years
Furniture, office equipment and tools	3-10 years
Vehicles	8- 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II to the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

VI. Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

VII. In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

VIII. Property, plant and equipment, constructed by the Company, but ownership of which vests with the Government / Local authorities:

a. Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003 as applicable.

b. Expenditure on Marine structures is depreciated over the period of the agreement.

C. Intangible assets

I. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at transition date (1st January 2016) measured as per the previous GAAP. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

II. The useful lives of intangible assets are assessed as either finite or indefinite.

III. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed during each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The

amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

IV. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

D. Amortisation of intangible assets

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (Up to 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Company estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

II. Work-in-progress, finished goods and stock in trade:

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

I. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

II. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

III. Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and fair value of any previously held interest in acquiree, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (also see note "G" in accounting policy) less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. The recoverable amount is the higher of the assets fair value less cost of disposal and value in use. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I. Investment in subsidiaries, associates and joint arrangements

I. Subsidiaries

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any.

II. Associates

Associates are all entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted at cost less impairment, if any.

III. Joint Arrangements

Interests in joint arrangements are interests over which the Company exercises joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

a. Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

When the Company transacts with a joint operation in which the Company is a Joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the company's financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets) the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

b. Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted at cost less impairment, if any.

J. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

K. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. Financial assets

a. The Company's financial assets comprise:

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees, incentive receivable from Government and non-current deposits.

b. Initial recognition and measurement of financial assets

The Company recognises a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as financial investments – bonds and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, liquid mutual funds, derivatives and equity instruments at fair value through the statement of profit and loss (FVTPL)

Debt instruments

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement are recognised in the statement of profit and loss.

This category comprises investments in liquid mutual funds and derivatives.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

The Company has designated its investments in equity instruments as FVTPL category..

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The Company has not designated investments in any equity instruments as FVTOCI.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises

an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

e. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

II. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. Financial liabilities

i. The Company's financial liabilities comprise:

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

ii. Initial recognition and measurement

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

iii. Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. Subsequent measurement of financial liabilities at fair value through profit or loss (FVTPL)

The Company uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

v. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

L. Provisions and contingencies

I. Provisions

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which

a reliable estimate can be made. The amounts recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Company provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

M. Foreign exchange gains and losses

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

Investments in equity capital of overseas companies registered outside India are carried in the balance sheet at the rates at which transactions have been executed.

N. Revenue recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

I. Sale of goods

Revenue from the sale of the Company core product Cement is recongnised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Contract balances

Trade Receivables

A trade receivables is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a Company right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract Liabilities

Contract liabilities which is a Company obligation to transfer goods or services to a customer which the entity has already received consideration, relate mainly to advance payment from customers which are disclosed in Note no. 35. Contract liabilities are recognised as revenue when the company performs under the contract.

II. Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the services is performed and there are no unfulfilled obligations.

III. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Dividends

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

O. Retirement and other employee benefits

I. Defined contribution plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

II. Defined benefit plan

The Company's gratuity fund scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Company, is charged to statement of profit and loss for the year in which the employee renders the related service. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

III. Short term employee benefits

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. Other long-term employee benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Long service awards and accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

a. when the Company can no longer withdraw the offer of those benefits; and

b. When the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

VI. Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary. Obligations under other long-term benefits are classified as short-term provision, if the Company does not have an unconditional right to defer the settlement of the obligation beyond 12 months from the reporting date. The Company presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

P. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the statement of profit and loss in "Other income".

Q. Borrowing Cost

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

R. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

III. Minimum alternate tax (MAT)

Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

S. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. Company as a lessee

a. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability (if any) to the lessor is included in the balance sheet as a finance lease obligation.

II. Company as a lessor

a. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Company in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

T. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The board of directors of the company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

U. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

V. Government grants and subsidies

I. Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

W. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares..

X. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements". Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Y. Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

I. Classification of legal matters and tax litigation

The litigations and claims to which the Company is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

II. Defined benefit obligations

The cost of defined benefit gratuity plans, post-retirement medical benefit and death and disability benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

III. Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced

depreciation charge in the statement of profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Z. New Accounting Pronouncements – Adoption of Ind AS 115 "Revenue from Contracts with the Customers" (Changes in Accounting Policy)

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 replaces AS 18 "Revenue".

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Effective 1st January 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with the Customers" using the full retrospective approach.

The effect of adopting Ind AS 115 as at 31st December 2018 is as follows;

'Advances received from customers', as at 31st December 2018 has been classified as 'Contract Liabilities'.

Further, the adoption of Ind AS 115 did not have any significant impact on overall financial statement of the Company.

Notes to Financial Statements

Note 4 - Property, plant and equipment

(Refer Note 3 (A) and 3 (B) for accounting policy on property, plant and equipment)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2018	Additions	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year (Refer Note (f) below)	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Freehold non-mining land	372.63	3.62	-	376.25	-	-	-	-	376.25	372.63
Freehold mining land	758.32	13.41	-	771.73	30.77	22.89	-	53.66	718.07	727.55
Leasehold land	58.39	175.20	-	233.59	1.97	2.25	-	4.22	229.37	56.42
Buildings, roads and water works (Refer Note (a) below)	1,486.43	71.47	0.34	1,557.56	248.29	83.15	0.09	331.35	1,226.21	1,238.14
Plant and equipment (owned) (Refer Note (b) below)	4,208.66	326.16	30.10	4,504.72	1,295.20	388.49	16.37	1,667.32	2,837.40	2,913.46
Furniture and fixtures	23.13	2.88	1.54	24.47	10.39	2.74	1.37	11.76	12.71	12.74
Vehicles	99.04	24.63	4.30	119.37	28.85	16.75	2.59	43.01	76.36	70.19
Office equipment	62.64	10.07	2.29	70.42	39.10	11.90	2.07	48.93	21.49	23.54
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	11.25	3.06	-	14.31	10.06	13.12
Railway sidings and locomotives (Refer Note (d) below)	47.01	1.58	-	48.59	15.50	3.65	-	19.15	29.44	31.51
Ships	126.80	-	0.26	126.54	22.91	7.42	0.05	30.28	96.26	103.89
Total	7,267.42	629.02	38.83	7,857.61	1,704.23	542.30	22.54	2,223.99	5,633.62	5,563.19

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2017	Additions	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year (Refer Note (f) below)	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Freehold non-mining land	369.51	3.12	-	372.63	-	-	-	-	372.63	369.51
Freehold mining land	569.37	188.95	-	758.32	17.19	13.59	0.01	30.77	727.55	552.18
Leasehold land	51.78	6.61	-	58.39	1.37	0.61	0.01	1.97	56.42	50.41
Buildings, roads and water works (Refer Note (a) below)	1,461.18	26.79	1.54	1,486.43	169.67	78.84	0.22	248.29	1,238.14	1,291.51
Plant and equipment (owned) (Refer Note (b) below)	4,059.06	179.11	29.51	4,208.66	901.17	409.63	15.60	1,295.20	2,913.46	3,157.89
Furniture and fixtures	21.26	1.90	0.03	23.13	7.25	3.16	0.02	10.39	12.74	14.01
Vehicles	86.08	19.76	6.80	99.04	19.71	12.96	3.82	28.85	70.19	66.37
Office equipment	56.07	8.36	1.79	62.64	27.70	13.12	1.72	39.10	23.54	28.37
Marine structures (Refer Note (c) below)	24.39	-	0.02	24.37	7.65	3.60	-	11.25	13.12	16.74
Railway sidings and locomotives (Refer Note (d) below)	47.00	0.01	-	47.01	11.92	3.58	-	15.50	31.51	35.08
Ships	126.64	0.20	0.04	126.80	15.26	7.66	0.01	22.91	103.89	111.38
Total	6,872.34	434.81	39.73	7,267.42	1,178.89	546.75	21.41	1,704.23	5,563.19	5,693.45

Notes to Financial Statements

Includes:

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.50 crore (31st December 2018 - ₹ 84.74 crore) and ₹ 6.31 crore (31st December 2018 - ₹ 4.85 crore) being accumulated depreciation thereon.

ii) ₹ 19.92 crore (31st December 2018 -₹ 19.92 crore) being cost of roads constructed by the Company, the ownership of which vests with government/local authorities and ₹ 16.27 crore (31st December 2018 - ₹ 12.98 crore) being accumulated depreciation thereon.

b) ₹ 73.54 crore (31st December 2018 - ₹ 69.81 crore) being cost of power lines incurred by the Company, the ownership of which vests with state electricity boards and ₹ 8.88 crore (31st December 2018 - ₹ 6.65 crore) being accumulated depreciation thereon.

c) Cost incurred by the Company, the ownership of which vests with the state maritime boards.

d) ₹ 11.75 crore (31st December 2018 - ₹ 11.75 crore) being cost of railway sidings incurred by the Company, the ownership of which vests with railway authorities and ₹ 4.96 crore (31st December 2018 - ₹ 4.02 crore) being accumulated depreciation thereon.

e) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 23.42 crore (31st December 2018 - ₹ 38.28 crore) on properties of the Company are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

f) ₹ 1.25 crore (31st December 2018 - ₹ 0.27 crore) capitalised during construction for projects (Refer Note 7).

g) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for 12 cases (31st December 2018 - 102 cases) of freehold land amounting to net block of ₹ 1.30 crore (31st December 2018 - ₹ 2.46 crore) for which title deeds are in the name of the erstwhile Companies that merged with the Company.

h) Capital work in progress as at 31st December 2019 is ₹ 1,108.70 crore (31st December 2018 - ₹ 610.02 crore). Refer the Note 7 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) in the course of its construction.

i) For contractual commitment with respect to property, plant and equipment Refer Note 50.

Note 5 - Goodwill

(Refer Note 3 (H) for accounting policy on goodwill)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2018	Additions	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Goodwill (Refer Note (a) below)	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**	**-**
Total	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**	**-**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2017	Additions	Deductions / Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Goodwill (Refer Note (a) below)	235.63	-	-	235.63	235.63	-	-	235.63	-	-
Total	235.63	-	-	235.63	235.63	-	-	235.63	-	-

Note:

a) The Company has adopted Ind AS w.e.f. 1st January 2017. In previous GAAP the Company was amortising goodwill. Accumulated amortisation is related to previous GAAP.

Notes to Financial Statements

Note 6 - Other intangible assets

(Refer Note 3(C) and 3(D) for accounting policy on intangible Assets)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2018	Additions	Deductions / Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Mining rights	104.03	81.20	-	185.23	4.16	2.69	-	6.85	178.38	99.87
Water drawing rights	0.31	-	-	0.31	0.06	0.02	-	0.08	0.23	0.25
Computer software	0.34	-	-	0.34	0.05	0.07	-	0.12	0.22	0.29
Total	104.68	81.20	-	185.88	4.27	2.78	-	7.05	178.83	100.41

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2017	Additions	Deductions / Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Mining rights (Refer Note (a) below)	30.65	73.38	-	104.03	2.62	1.54	-	4.16	99.87	28.03
Water drawing rights	0.31	-	-	0.31	0.04	0.02	-	0.06	0.25	0.27
Computer software	0.24	0.10	-	0.34	-	0.05	-	0.05	0.29	0.24
Total	31.20	73.48	-	104.68	2.66	1.61	-	4.27	100.41	28.54

Note:

a) During the previous year, the Company has commenced commercial production by way of open cast mining at its coal block situated at Raigarh district in the state of Chhattisgarh, acquired under e-auction.

Note 7 - Capitalisation of Expenditure

The Company has capitalised following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Balance at the beginning of the year included in capital work-in-progress	**28.16**	17.76
Add : Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	**14.05**	11.72
Depreciation and amortisation expense (Refer Note 4 (f))	**1.25**	0.27
Other expenses (Refer Note (b) below)	**16.34**	21.20
	59.80	50.95
Less : Capitalised during the year	**-**	(22.79)
Balance at the end of the year included in capital work-in-progress	**59.80**	28.16

Notes:

a) Costs of employee benefits (as defined in Ind AS 19 "Employee Benefits") of project associated departments are arising directly from the construction or acquisition of the item of property, plant and equipment.

b) Other expense are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Note 8 - Investments in subsidiaries and joint venture

(Refer Note 3 (I) for accounting policy on Investment in subsidiaries, associates and joint arrangements, Measured at cost)

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares	₹ in crore	No of shares	₹ in crore
A. Investment in subsidiaries					
Quoted, in fully paid equity shares					
ACC Limited	10	**93,984,120**	**11,737.80**	93,984,120	11,737.80
Unquoted, in fully paid equity shares					
M.G.T. Cements Private Limited	10	**750,000**	**3.05**	750,000	3.05
Chemical Limes Mundwa Private Limited	10	**5,140,000**	**6.47**	5,140,000	6.47
OneIndia BSC Private Limited	10	**2,501,000**	**2.50**	2,501,000	2.50
Dang Cement Industries Private Limited (foreign subsidiary, face value in Nepalee Rupee) (Refer Note (b) below)	100	**-**	**-**	2,029,135	24.75
Dirk India Private Limited	10	**2,075,383**	**23.03**	2,075,383	23.03
			35.05		59.80
B. Investment in joint venture					
Unquoted, In fully paid equity shares					
Counto Microfine Products Private Limited	10	**8,319,722**	**16.16**	8,319,722	16.16
Total			**11,789.01**		11,813.76

Notes:

a) Book and Market value

Particulars	Book value as at		Market value as at	
	31.12.2019 ₹in crore	31.12.2018 ₹in crore	31.12.2019 ₹in crore	31.12.2018 ₹in crore
Aggregate amount of quoted investments	**11,737.80**	11,737.80	**13,577.42**	14,142.73
Aggregate amount of unquoted investments	**51.21**	75.96	**-**	-
Total	**11,789.01**	11,813.76	**13,577.42**	14,142.73

b) The Company has entered into share purchase agreement for sale of its entire investment in Dang Cement Industries Private Limited, subject to fulfillment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment such conditions, the said investment has been classified as held for sale, (Refer Note 21).

Note 9 - Non-current investments

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares	₹ in crore	No of shares	₹ in crore
A. Investments carried at amortised cost					
Government and trust securities					
Unquoted					
National Savings Certificate ₹ 36,500 (31st December 2018 ₹ 36,500) deposited with government department as security. (Refer Note (c) below)		-	-	-	-
		-	-	-	-
B. Investments carried at fair value through profit and loss (FVTPL)					
Unquoted, In fully paid equity shares					
Gujarat Goldcoin Ceramics Limited (Under liquidation)	10	**1,000,000**	-	1,000,000	-
Total		-	-	-	-
Notes:					
a) Aggregate amount of unquoted investments.			-		-

b) Refer Note 55 for information about fair value measurement and Note 56 for credit risk and market risk of investments

c) Denotes amount less than 50,000.

Note 10 - Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary companies, joint venture company and joint operation are accounted at cost.

Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
			As at 31.12.2019	As at 31.12.2018
a) Direct Subsidiaries				
M.G.T Cements Private Limited	Cement and cement related products	India	**100.00%**	100.00%
Chemical Limes Mundwa Private Limited	Cement and cement related products	India	**100.00%**	100.00%
Dang Cement Industries Private Limited (Refer Note 8 (b))	Cement and cement related products	Nepal	**91.63%**	91.63%
Dirk India Private Limited (Refer Note 60)	Cement and cement related products	India	**100.00%**	100.00%
ACC Limited	Cement and cement related products	India	**50.05%**	50.05%
OneIndia BSC Private Limited	Shared Services	India	**75.03%**	75.03%
b) Joint Venture				
Counto Microfine Products Private Limited	Cement and cement related products	India	**50.00%**	50.00%
c) Joint Operation				
Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	**27.27%**	27.27%

Note 11 - Non-current loans

(Refer Note 3 (K)(I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Security deposits	**61.47**	59.03
Loans to employees	**1.43**	1.31
	62.90	60.34
Unsecured loans which have significant increase in credit risk		
Loans to related party - Subsidiary (Refer Notes 54 and 59(b))	**37.94**	37.94
Loans to Joint Operation	**0.98**	0.89
	38.92	38.83
Less : allowance for doubtful loans	**38.92**	38.83
	-	-
Total	**62.90**	60.34

Notes:

a) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

b) No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

c) Refer Note 56 (B) for information about credit risk of loans.

Note 12 - Other non-current financial assets

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Incentives receivable under government incentive schemes (Refer Note 61)	**344.09**	166.82
Bank deposits with more than 12 months maturity (Refer Note (a) below)	**25.06**	43.02
Interest accrued on fixed deposits	**3.79**	7.31
Unsecured receivables which have significant increase in credit risk		
Interest receivable from related party - subsidiary (Refer Notes 54 and 59(b))	**10.60**	10.60
Less : allowance for doubtful balances	**10.60**	10.60
	-	-
Total	**372.94**	217.15

Notes:

a) These include fixed deposits of ₹ 24.15 crore (31st December 2018 - ₹ 34.15 crore) given as security against bank guarantees and other deposits ₹ 0.91 crore (31st December 2018 - ₹ 8.87 crore) given as security to regulatory authorities.

b) Refer Note 56 (B) for information about credit risk of other financial assets.

Note 13 - Other non-current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Capital advances	**347.51**	389.61
Advances other than capital advances		
Deposit against government dues / liabilities	**167.09**	162.43
Prepayments under leases	**34.24**	35.55
Advances recoverable other than in cash	**42.74**	41.28
Other claim receivable from Government	**228.41**	244.99
	819.99	873.86

Note 13 - Other non-current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered doubtful		
Capital advances	**6.59**	6.64
Advances recoverable other than in cash	**6.74**	6.79
Other claim receivable from Government	**31.84**	31.84
	45.17	45.27
Less : allowance for doubtful receivables	**45.17**	45.27
	-	-
Total	**819.99**	873.86

Notes:

a) No advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 56 (B) for information about credit risk of trade receivables.

Note 14 - Inventories

At lower of cost and net realisable value (Refer Note 3 (F) for accounting policy on inventories)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Raw materials (including in transit - ₹ 5.42 crore; 31st December 2018 - ₹ 0.34 crore)	**55.41**	72.96
Work-in-progress	**274.44**	338.35
Finished goods	**104.38**	108.65
Captive coal	**31.21**	7.27
Stock in trade (in respect of goods acquired for trading)	**1.46**	0.02
Coal and fuel (including in transit - ₹ 24.24 crore; 31st December 2018 - ₹ 73.07 crore)	**245.92**	470.90
Stores and spares (including in transit - ₹ 6.32 crore; 31st December 2018 - ₹ 10.19 crore)	**225.11**	269.08
Packing material (including in transit - ₹ Nil; 31st December 2018 - ₹ 0.15 crore)	**16.14**	10.53
Total	**954.07**	1,277.76

Notes:

a) The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is amounting to ₹ 3.48 crore. In the previous year reversal of write-down of inventories of ₹ 0.03 crore, was consequent to consumption of inventories which were earlier written down.

b) No inventories have been pledged as security for liabilities.

Note 15 - Trade receivables

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Secured, considered good	**168.07**	159.57
Unsecured, considered good	**345.15**	310.69
Unsecured which have significant increase in credit risk	**9.90**	3.82
	523.12	474.08
Less : allowance for doubtful trade receivables	**9.90**	3.82
Total	**513.22**	470.26

Notes:

a) No trade receivables are due by directors or other officers of the company or any of them either severally or jointly with any other person. Further, no trade receivables are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 54 for receivables from related parties.

c) Refer Note 56 (B) for information about credit risk of trade receivables.

Note 16 - Cash and cash equivalents

(Refer Note 3 (U) for accounting policy on cash and cash equivalents)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Balances with banks		
In current accounts	**23.32**	359.74
Deposit with original maturity upto 3 months	**3,585.18**	2,395.16
Cheques on hand (Refer Note (a) below)	**-**	64.85
Cash on hand	**0.05**	0.07
Deposit with other than banks with original maturity of upto 3 months	**250.00**	100.00
Investments in liquid mutual funds measured at FVTPL	**653.74**	230.51
Total	**4,512.29**	3,150.33

Note:

a) Cheques on hand are cleared subsequent to the year end.

Note 17 - Bank balances other than cash and cash equivalents

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Other Bank Balances		
Earmarked balances with banks (Refer Note (a) below)	**23.45**	24.51
Fixed deposit with banks (original maturity more than 3 months but up to 12 months) (Refer Note (b) below)	**163.75**	155.13
Total	**187.20**	179.64

Notes:

a) These balances represent unpaid dividend liabilities of the Company and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (ACRL), not available for use by the Company.

b) These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 123.28 crore including interest (31st December 2018 - ₹ 116.39 crore), (Refer Note 48(b)(i)) and other deposits amounting ₹ 40.47 crore (31st December 2018 - ₹ 38.74 crore) given as security against bank guarantees to regulatory authorities and others.

Note 18 - Current loans

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Loans to related parties - subsidiary (Refer Note 54)	**1.29**	1.03
Loans to employees	**3.22**	3.26
Total	**4.51**	4.29

Notes:

a) No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 56 (B) for information about credit risk of loans.

Note 19 - Other current financial assets

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Incentives receivable under government incentive schemes (Refer Note 61)	**149.00**	153.86
Interest accrued on loan to subsidiary (Refer Note 54)	**3.17**	0.09
Interest accrued on fixed deposits	**17.63**	19.48
Deposit with banks with original maturity of more than 12 months (Refer Note (a) below)	**18.00**	5.00
Other receivables	**41.07**	60.14
	228.87	238.57
Unsecured which have significant increase in credit risk		
Other receivables	**5.70**	-
Less: Allowance for doubtful other receivable	**5.70**	-
	-	-
Total	**228.87**	238.57

Notes:

a) Fixed deposits of ₹ 10.00 crore (31st December 2018 - ₹ 5.00 crore) given as security against bank guarantees and other deposit ₹ 8.00 crore (31st December 2018 - ₹ Nil) given as security to regulatory authorities.

b) Refer Note 56 (B) for information about credit risk of other financial assets.

Note 20 - Other current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	**154.36**	186.02
Balances with statutory / Government authorities	**253.94**	216.22
Prepaid expenses	**12.41**	13.41
Prepayments under leases	**1.31**	1.31
Others	**1.17**	2.49
Total	**423.19**	419.45

Note:

a) No advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

Note 21 - Non-current assets classified as held for sale

(Refer Note 3 (P) for accounting policy on Non-current assets held for sale)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Investments in Dang Cement Industries Private Limited (Refer Note 8(b))	**24.75**	-
Total	**24.75**	-

Note 22 - Equity share capital

(Refer Note 3 (K) (II) (a) for accounting policy on equity instruments)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Authorised		
40,000,000,000 (31st December 2018 - 40,000,000,000) Equity shares of ₹ 2 each	**8,000.00**	8,000.00
150,000,000 (31st December 2018 - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00
Total	**8,150.00**	8,150.00
Issued		
1,985,971,749 (31st December 2018 - 1,985,971,749) Equity shares of ₹ 2 each fully paid-up	**397.19**	397.19
Total	**397.19**	397.19
Subscribed and paid-up		
1,985,645,229 (31st December 2018 - 1,985,645,229) Equity shares of ₹ 2 each fully paid-up	**397.13**	397.13
Total	**397.13**	397.13

Notes:

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13
Changes during the year	**-**	**-**	-	-
At the end of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Holderind Investments Limited, Mauritius, Holding company (a subsidiary of LafargeHolcim Limited, Switzerland, the ultimate holding company)		
1,253,156,361 (31st December 2018 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	% holding	No. of shares	% holding
i) Holderind Investments Limited, Mauritius	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholdings represent both legal and beneficial ownership of shares.

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December 2018 - 186,690) and 139,830 (31st December 2018 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August, 2016, 584,417,928 equity shares were allotted as fully paid-up to the equity shareholders of HIPL, without payment being received in cash.

g) There are no other securities which are convertible into equity shares.

Note 23 - Capital Management

a) The Company's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

b) The management of the Company reviews the capital structure of the Company on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

c) The Company generally meets its capital requirement through internal accruals. The borrowings as appearing in the Note 26 represents Interest Free Loan from State Government. The Company is not subject to any externally imposed capital requirements.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Total debt (including current maturities of borrowings) (Refer Notes 26 and 34)	41.06	39.68
Less : Cash and cash equivalents (Refer Note 16)	4,512.29	3,150.33
Net debt	(4,471.23)	(3,110.65)
Total equity (Refer Notes 22 and 25)	22,205.18	21,012.53
Net Debt to Equity	Nil	Nil

Note 24 - Dividend distribution made and proposed

Particulars		For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹in crore
a)	**Cash dividends on equity shares declared and paid**		
i)	Final dividend for the year ended 31st December 2018 ₹ 1.50 per share (31st December 2017 - ₹ 2.00 per share)	297.85	397.13
ii)	Dividend distribution tax on final dividend	34.18	52.65
	Total	332.03	449.78
b)	**Dividends on equity shares**		
i)	Final dividend for the year ended 31st December 2019 ₹ 1.50 per share (31st December 2018 - ₹ 1.50 per share) (Refer Note (a) below)	297.85	297.85
ii)	Dividend distribution tax on final dividend (Refer Note (b) below)	-	34.18
	Total	297.85	332.03

Notes:

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

b) In Union budget 2020, taxability of dividend has been changed from Corporates to recipient of dividend, therefore no disclosure is made for the dividend proposed for the current year.

Note 25 - Other equity

(Refer Statement of Changes in Equity for detailed movement in other equity balances)

Particulars		As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Reserve and surplus (nature and purpose of each reserve is given in notes below)			
a)	Capital reserve	130.71	130.71
b)	Securities premium	12,471.07	12,471.07
c)	General reserve	5,655.83	5,655.83
d)	Capital redemption reserve	9.93	9.93
e)	Subsidies	5.02	5.02
f)	Capital contribution from parent	0.53	-
g)	Retained earnings	3,534.96	2,342.84
	Total	21,808.05	20,615.40

Note 25 - Other equity

Nature and purpose of each reserve :

a) **Capital reserve**

This reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

b) **Securities premium**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

c) **General reserve**

The Company created general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Company.

d) **Capital redemption reserve**

Capital redemption reserve was created by transferring from retained earnings. During the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

e) **Subsidies**

These are capital subsidies received from the Government and various authorities.

f) **Capital contribution from parent**

Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by parent company "LafargeHolcim Ltd" to the employees of the Group. The share based payment reserve is used to recognise the value of equity settled Share based payments provided to executives and senior management.

g) **Retained earnings**

Retained earnings are the profits that Company has earned till date, less transfers to General Reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

Note 26 - Non-current borrowings

(Refer Note 3 (K) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Secured		
Interest free loan from State Government (Refer Notes (a) and (b) below)	**35.28**	39.68
Total	**35.28**	39.68

Notes:

a) Interest free loan from State Government granted under State investment promotion scheme has been considered as a government grant and the difference between the fair value and nominal value as on date of receipt of ₹ Nil (previous year - ₹ 8.81 crore) was recognised as an income.

b) Interest free loans from State Government, secured by bank guarantees (partly backed by pledge of bank fixed deposits) and each loan repayable in single installment, starting from February 2020 to November 2025 of varying amounts from ₹ 3.59 crore to ₹ 13.39 crore, out of which current maturity of ₹ 5.78 crore due in February 2020 is disclosed in Note 34.

Note 27 - Other non-current financial liabilities

(Refer Note 3 (K) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Liability for capital expenditure	**0.62**	1.18
Total	**0.62**	1.18

Note 28 - Non-current provisions

(Refer Note 3 (L) (I) and 3 (O) for accounting policy on provisions and retirement and other employee benefits)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
For employee benefits		
Provision for gratuity and other staff benefit schemes (Refer Note 51)	**16.66**	17.19
Others		
Provision for mines reclamation expenses (Refer Note (a) below)	**33.68**	21.34
Total	**50.34**	38.53

Note:

a) Mines reclamation expenses are incurred on an ongoing basis until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions during the year is as under :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Opening balance	**21.34**	18.62
Add : Provision during the year	**12.89**	3.20
	34.23	21.82
Add: Unwinding of discount	**1.04**	1.12
Less : Utilisation during the year	**1.59**	1.60
Closing Balance	**33.68**	21.34

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (R) (II) for accounting policy on deferred tax)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Deferred tax liabilities, on account of		
Depreciation and amortisation	**427.01**	626.20
Deferred tax assets, on account of		
Provision for employee benefits	**40.05**	64.78
Provision for slow and non moving spares	**8.73**	10.91
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**54.22**	55.87
Provision against loan and interest thereon, receivable from a subsidiary	**12.21**	16.96
Others temporary differences	**95.74**	105.52
	210.95	254.04
Deferred tax liabilities (net)	**216.06**	372.16

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

Particulars	As at 31st December 2018 ₹ in crore	Charge / (Credit) to Statement of Profit and Loss ₹ in crore	Charge / (Credit) to Other Comprehensive Income ₹ in crore	As at 31st December 2019 ₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	626.20	**(199.19)**	**-**	**427.01**
Deferred tax assets, on account of				
Provision for employee benefits	64.78	**(27.31)**	**2.58**	**40.05**
Provision for slow and non moving spares	10.91	**(2.18)**	**-**	**8.73**
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	55.87	**(1.65)**	**-**	**54.22**
Provision against loan and interest thereon, receivable from a subsidiary	16.96	**(4.75)**	**-**	**12.21**
Others temporary differences	105.52	**(9.78)**	**-**	**95.74**
	254.04	**(45.67)**	**2.58**	**210.95**
Deferred tax liabilities / (assets) (net)	372.16	**(153.52)**	**(2.58)**	**216.06**

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (R) (II) for accounting policy on deferred tax)

Particulars	As at 31st December 2017 ₹ in crore	Charge / (Credit) to Statement of Profit and Loss ₹ in crore	Charge / (Credit) to Other Comprehensive Income ₹ in crore	As at 31st December 2018 ₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	666.45	(40.25)	-	626.20
Deferred tax assets, on account of				
Provision for employee benefits	43.16	22.35	(0.73)	64.78
Provision for slow and non moving spares	10.82	0.09	-	10.91
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	59.44	(3.57)	-	55.87
Provision against loan and interest thereon, receivable from a subsidiary	-	16.96	-	16.96
Others temporary differences	94.67	10.85	-	105.52
	208.09	46.68	(0.73)	254.04
Deferred tax liabilities / (assets) (net)	458.36	(86.93)	0.73	372.16

Note:

a) The Company has long term capital losses of ₹ 4.43 crore (31st December 2018 - ₹ 4.43 crore) for which no deferred tax assets have been recognised. These losses will expire between financial years 2019-20 to 2022-23.

Note 30 - Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	For the year ended 31st December 2019		For the year ended 31st December 2018	
	₹ in crore	In %	₹ in crore	In %
Accounting Profit before tax	**1,948.02**		1,506.07	
Tax expenses at statutory income tax rate (Refer Note (a) below)	**544.47**	**27.95%**	524.71	34.84%
Effect of tax exempt dividend income	**(36.78)**	**-1.89%**	(49.26)	-3.27%
Effect of non deductible expenses	**26.88**	**1.38%**	17.39	1.15%
Effect of allowances / tax holidays for tax purpose	**(4.70)**	**-0.24%**	(105.92)	-7.03%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	**(103.28)**	**-5.30%**	4.45	0.30%
Effect of change in tax rate on Deferred Tax	**(5.40)**	**-0.28%**	-	-
Others	**(1.71)**	**-0.09%**	(0.30)	-0.03%
Tax Expenses at the Effective Income Tax Rate	**419.48**	**21.53%**	391.07	25.96%
Effect of tax adjustments for earlier years (Refer Note 31)	**-**	**-**	(372.01)	-24.70%
Tax expense	**419.48**	**21.53%**	19.06	1.26%
Tax expense reported in the statement of profit or loss	**419.48**	**21.53%**	19.06	1.26%

Notes:

a) Company follows calender year as financial year, therefore applicable statutory income tax rate is weighted average rate. The tax rate used for above reconciliation is the Corporate tax rate payable by Corporate entities in India on taxable profits under Indian tax law.

b) The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax liability as on 1st January 2019, amounting to ₹ 103.28 crore has been reversed during the year ended 31st December 2019.

Note 31 - Tax adjustments for earlier years

The Company was entitled to incentives from Government at its plant located in the states of Himachal Pradesh and Uttarakhand, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income tax department had, initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). The Company had received one favourable order from the assessing officer and one appellate order from the CIT-A, against which the department filed an appeal in the Income Tax Tribunal (ITAT). Considering unfavourable orders by the Income tax department, the Company, up to 31st December 2017, had classified the risk for these matters as probable and provided for the same.

During the previous year, the CIT-A decided the matter in favour of the Company for two more years, against which the department filed an appeal in the ITAT.

In view of the series of repeated favourable orders by the Income tax department in the previous year, coupled with the fact, that ACC Limited, a subsidiary company also received favourable orders, the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A) during the previous year, as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

Accordingly, the Company reversed during the previous year:

a) the provisions of ₹ 372.01 crore resulting in reduction in current tax liabilities by ₹ 245.64 crore and an increase in non-current tax assets by ₹ 126.37 crore.

b) Interest provision related to above ₹ 35.88 crore.

Further, during the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Company had recognised interest income on income tax refund and reversal of provision for interest on income tax, aggregating ₹ 132.58 crore. However, considering the uncertainty of its ultimate realisability, the Company has also made a provision of ₹ 81.00 crore, resulting in recognition of net income of ₹ 51.50 crore in other income during the year.

Pending final legal closure of the matter, the said amounts have been reported under contingent liabilities in the financial statements.

Note 32 - Other non-current liabilities

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Rebate to customers	**35.83**	7.17
Total	**35.83**	7.17

Note 33 - Total outstanding dues of micro and small enterprises

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers (Refer Note (a) below).		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	**1.08**	0.51
Interest	**0.01**	0.01
	1.09	0.52
b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	**26.26**	28.76
Interest	**0.31**	0.26
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	**-**	0.03
d) The amount of interest accrued and remaining unpaid at the end of the year	**0.01**	0.04
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

Note:

(a) Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 34 - Other current financial liabilities

(Refer Note 3 (K) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Financial Liabilities at amortised cost		
Security deposits	**506.41**	404.67
Liability for capital expenditure	**188.57**	140.24
Unpaid dividends (Refer Note (a) below)	**20.95**	22.01
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACRL	**2.50**	2.50
Current maturities of borrowings	**5.78**	-
Others (includes interest on security deposits)	**57.74**	46.66
Financial Liabilities at fair value		
Foreign currency forward contract	**0.09**	0.09
Total	**782.04**	616.17

Note:

(a) Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

Note 35 - Other current liabilities

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Contract liability (Refer Note (a) below)		
Advance received from customers	**78.98**	86.80
Other liability		
Statutory dues payable	**512.57**	432.88
Rebates to customers	**416.21**	218.60
Other payables (includes interest on income tax)	**730.05**	555.37
Total	**1,737.81**	1,293.65

Note:

(a) The Company has adopted Ind AS 115 full retrospective approach. Advance from customer has been included as part of contract liabilities. The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2019.

Note 36 - Current provisions

(Refer Note 3 (O) for accounting policy on retirement and other employee benefits)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Provision for compensated absences	**85.37**	91.05
Total	**85.37**	91.05

Note 37 - Revenue from operations

(Refer Note 3 (N) (I) for accounting policy on revenue recognition)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Revenue from contracts with customers		
Sale of Manufactured products	**11,235.47**	10,968.37
Sale of Traded products	**117.29**	8.63
Sale of products and services	**11,352.76**	10,977.00
Other operating revenues		
Provisions no longer required written back	**3.80**	7.56
Sale of scrap	**43.86**	42.10
Incentives and subsidies (Refer Note 38)	**207.78**	234.22
Miscellaneous income (Refer Note 38) (includes insurance claims and other services etc.)	**59.68**	95.88
	315.12	379.76
Total	**11,667.88**	11,356.76

Notes:

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Revenue as per contract price	**12,821.09**	11,895.24
Less: Discounts and incentives	**1,468.33**	918.24
Revenue as per statement of profit and loss	**11,352.76**	10,977.00

b) The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.

c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

e) Disaggregation of revenue:

Refer Note 58 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

Note 38 - Government grants

(Refer Note 3 (V) for accounting policy on government grants and subsidies)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Recognised in statement of profit and loss		
Incentives and subsidies (Refer Note (a) below)	**207.78**	234.22
Discounting income on interest free loan from State Government included in miscellaneous income of Note 37	**-**	8.81
Total	**207.78**	243.03

Note:

(a) Accrued for the GST refund claim, under various incentive schemes of State and Central Government. There are no unfulfilled conditions or contingencies attached to these grants.

Note 39 - Other income

(Refer Note 3 (N) (II) and (III) for accounting policy on interest income and dividends)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Interest income on		
Bank deposits - effective interest rate method	**203.10**	146.38
Income tax refund (Refer Note 31)	**24.01**	-
Defined benefit obligation (net) (Refer Note 51)	**0.15**	-
Others	**7.95**	6.89
	235.21	153.27
Dividend income from non-current investment		
From subsidiary	**131.58**	140.98
From joint venture	**1.66**	-
	133.24	140.98
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	**27.84**	44.18
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	**2.74**	0.51
Gain on buy back of non-current investments	**-**	0.16
Interest on income tax written back and others (Refer Note 31)	**27.49**	35.88
Total	**426.52**	374.98

Note:

(a) These instruments are at fair value through profit or loss in accordance with Ind AS 109.

Note 40 - Cost of materials consumed

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Inventories at the beginning of the year	**72.96**	57.11
Add : Purchases during the year	**976.87**	1,028.93
	1,049.83	1,086.04
Less : Inventories at the end of the year	**55.41**	72.96
Cost of materials consumed (Refer Note (a) below)	**994.42**	1,013.08

Notes:

(a) **Break-up of cost of materials consumed**

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Fly ash	**461.41**	485.83
Gypsum	**224.73**	220.90
Others (Refer Note (b) below)	**308.28**	306.35
Total	**994.42**	1,013.08

(b) Includes no item which in value individually accounts for 10% or more of the total value of materials consumed.

Note 41 (a) - Purchases of stock-in-trade

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Cement	**53.93**	5.96
Allied product	**34.34**	-
Total	**88.27**	5.96

Note 41 (b) - Change in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Inventories at the end of the year		
Work-in-progress	**274.44**	338.35
Finished goods	**104.38**	108.65
Stock in trade	**1.46**	0.02
Captive coal	**31.21**	7.27
	411.49	454.29
Inventories at the beginning of the year		
Work-in-progress	**338.35**	303.53
Finished goods	**108.65**	77.89
Stock in trade	**0.02**	-
Captive coal	**7.27**	-
	454.29	381.42
(Increase) / decrease in inventories	**42.80**	(72.87)

Note 42 - Employee benefits expense

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Salaries and wages	**586.13**	575.20
Contribution to provident and other funds	**37.38**	52.36
Employee stock option expenses (Refer Note 49)	**0.53**	-
Staff welfare expenses	**48.59**	52.01
Total	**672.63**	679.57

Note 43 - Finance costs

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Interest on		
Income tax (net of interest income on refund - ₹ 81.00 crore; previous year - ₹ Nil)	**21.06**	23.20
Defined benefit obligation (net) (Refer Note 51)	**-**	0.44
Security deposits	**25.25**	26.03
Others	**34.78**	28.72
Unwinding of financial liabilities	**1.39**	2.82
Unwinding of mines reclamation provision (Refer Note 28)	**1.04**	1.12
Total	**83.52**	82.33

Note 44 - Depreciation and amortisation expense

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Depreciation on property, plant and equipment (Refer Note 4)	**542.30**	546.75
Less : Pre-operative charge during the year (Refer Note 7)	**1.25**	0.27
	541.05	546.48
Amortisation of intangible assets (Refer Note 6)	**2.78**	1.61
Total	**543.83**	548.09

Note 45 - Freight and forwarding expense

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
On finished products	2,402.15	2,531.37
On Internal material transfer	692.05	746.20
Total	3,094.20	3,277.57

Note 46 - Other expenses

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Royalty on minerals	254.93	249.59
Consumption of stores and spare parts	315.17	293.74
Consumption of packing materials	383.86	415.31
Repairs	218.93	197.08
Rent (Refer Note 52)	54.50	46.86
Rates and taxes	78.43	82.87
Insurance	23.52	20.18
Technology and know-how fees	112.64	109.47
Advertisement	85.45	53.17
Donation (Refer Note (a) below)	60.98	52.12
Exchange loss (net)	1.12	6.25
Miscellaneous expenses (Refer Note (b) below)	456.91	490.50
Total	2,046.44	2,017.14

Notes:

a) **Corporate Social Responsibility Expenditure :**

i) The Company has spent ₹ 62.57 crore (Previous year ₹ 53.46 crore) towards corporate social responsibility activities which includes Donation of ₹ 60.98 crores (Previous year ₹ 52.12 crore). It is included in different heads of expenses in the statement of profit and loss.

ii) The amount required to be spent under Section 135 of the Companies Act, 2013, for the year ended 31st December 2019 is ₹ 26.71 crore (previous year ₹ 25.46 crore) i.e 2% of the average net profits for the last three financial years, calculated as per Section 198 of the Companies Act, 2013.

iii) No amount has been spent on construction / acquisition of an asset of the Company and the entire amount has been spent in cash.

b) **Miscellaneous expenses :**

i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

ii) Includes Commission on sales, Information technology services, Traveling expenses, Other third party services, etc.

iii) Includes payment to auditors (excluding taxes) as under :

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Statutory auditor		
For audit fees (including for quarterly limited reviews and tax financial statements)	2.14	2.33
Fees for other services	0.04	0.11
For reimbursement of expenses	0.06	0.05
	2.24	2.49
Cost auditor		
As auditor for cost audit	0.09	0.09
For reimbursement of expenses	0.03	0.02
	0.12	0.11
Total	2.36	2.60

Note 47 - Earnings per share (EPS)

(Refer Note 3 (W) for accounting policy on earnings per share)

a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

c) Calculation of the basic and diluted EPS :

Particulars		For the year ended 31st December 2019	For the year ended 31st December 2018
i)	Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	**1,528.54**	1,487.01
ii)	Weighted average number of equity shares for basic EPS	**1,985,645,229**	1,985,645,229
	Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992	**315,467**	316,262
iii)	Weighted average number of shares for diluted EPS	**1,985,960,696**	1,985,961,491
iv)	Earnings per equity share (in ₹)		
	Face value of equity per share	**2.00**	2.00
	Basic	**7.70**	7.49
	Diluted	**7.70**	7.49

Note 48 - Contingent Liabilities (to the extent not provided for)

(Refer Note 3 (L) (II) for accounting policy on contingent liability)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Contingent liabilities and claims against the Company not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	**10.36**	11.44
Land	**46.27**	23.04
Demand from Competition Commission of India (Refer Note (b) below)	**1,635.46**	1,501.97
Sales tax (Refer Note (c) below)	**274.83**	272.91
Excise, customs and service tax (Refer Note (d) below)	**261.58**	245.58
Stamp duty (Refer Note (e) below)	**305.88**	287.88
Income tax (Refer Note 31)	**465.06**	413.48
Others	**126.31**	154.32
Total	**3,125.75**	2,910.62

Notes:

a) i) In respect of these items, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

iii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Note 48 - Contingent Liabilities (to the extent not provided for)

(Refer Note 3 (L) (II) for accounting policy on contingent liability)

b) Demand from Competition Commission of India

i) In 2012, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crore (31st December 2018 - ₹ 1,163.91 crore) on the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August 2016, imposed a penalty of ₹ 1,163.91 crore (31st December 2018 - ₹ 1,163.91 crore) on the Company. The Company filed an appeal against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July 2018, dismissed the Company's appeal and upheld the CCI's order. Against this, the Company appealed to the Hon'ble Supreme Court, which by its order dated 5th October 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

ii) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January 2017 had imposed a penalty of ₹ 29.84 crore (31st December 2018 - ₹ 29.84 crore) on the Company. On Company's appeal, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company believes it has good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 441.71 crore (31st December 2018 - ₹ 308.22 crore).

c) Sales tax matter includes

A matter relating to 75% exemption from sales tax, granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December 2018 - ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company deposited ₹ 143.52 crore, including interest of ₹ 30.00 crore (31st December 2018 - ₹ 143.52 crore including interest of ₹ 30.00 crore) towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial & Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

d) Excise, customs and service tax includes

A matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on F.O.R. basis. The Company availed the credit based on legal provision and various judicial precedence. On the same matter of another cement company, the Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company, the Hon'ble Supreme Court has decided against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBEC) circular, based on legal opinion, the Company has treated the same as "possible". Accordingly, ₹ 196.52 crore (31st December 2018 - ₹ 180.28 crore) has been disclosed as contingent liability.

e) Stamp duty includes

The Collector of Stamps, Delhi vide its Order dated 7th August 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December 2018 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Private Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

Note 49 - Share Based Payment

Description of plan - LafargeHolcim Performance Share Plan

LafargeHolcim Ltd (Ultimate Holding Company) set up a performance share plan. Performance shares are granted to executives, senior management and other employees for their contribution to the continuing success of the business. These shares will be delivered after five year vesting period following the grant date and are subject to internal and external performance conditions.

6,000 performance share at fair value of ₹ 3,405 per share were granted in 2019. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC). During the year, ₹ 0.53 Crore (Previous year – ₹ Nil) is charged to the statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent.

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

Note 50 - Capital and other commitments

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**842.10**	462.65
Total	**842.10**	462.65

Note:

a) For commitments relating to lease arrangements, Refer Note 52

Note 51 - Employee benefits

(Refer Note 3 (O) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Amount recognised and included in Note 42 "Contribution to Provident and Other Funds" (including contribution to provident fund trust referred in note (h) below) of statement of profit and loss ₹ 27.32 crore (previous year - ₹ 29.27 crore).

b) Defined benefit plans - as per actuarial valuation

The Company has defined benefit gratuity, post employment medical benefit plans and trust managed provident fund plan as given below :

i) Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary) in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of qualifying insurance policies.

ii) Other non funded plans includes post employment healthcare to certain employees.

c) Investment strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, demographic risk, salary inflation risk and longevity risk.

i) Investment risk : As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

ii) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will tend to increase.

iii) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

iv) Salary Inflation risk : All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

v) Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Note 51 - Employee benefits

d) Other non funded plans include post employment healthcare benefits

e) Summary of the components of net benefit / expense, recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for the respective defined benefits plans is as under :

Particulars			2019		2018	
			Funded	Non funded	Funded	non funded
			₹ in crore	₹ in crore	₹ in crore	₹ in crore
I	**Expense recognised in the statement of profit and loss**					
	1	Current service cost	**10.38**	**0.61**	10.26	0.45
	2	Interest cost	**10.05**	**0.84**	9.89	0.73
	3	Past service cost	**-**	**(12.47)**	-	-
	4	Interest (income) on plan assets	**(10.20)**	**-**	(10.18)	-
	5	Amount recognized in the statement of profit and loss	**10.23**	**(11.02)**	9.97	1.18
II	**Re-measurements recognised in other comprehensive Income (OCI)**					
	1	Demographic change	**(0.01)**	**-**	-	-
	2	Change in financial assumptions	**2.19**	**-**	(1.79)	(0.44)
	3	Experience changes	**(0.48)**	**-**	0.24	(1.63)
	4	Return on plan assets (excluding interest income)	**(2.44)**	**-**	0.80	-
	5	Amount recognised in OCI	**(0.74)**	**-**	(0.75)	(2.07)
III	**Net asset / (liability) recognised in the balance sheet**					
	1	Present value of defined benefit obligation	**137.27**	**-**	140.50	11.17
	2	Fair value of plan assets	**128.32**	**-**	135.08	-
	3	Funded status [surplus / (deficit)]	**(8.95)**	**-**	(5.42)	(11.17)
	4	Net asset / (liability)	**(8.95)**	**-**	(5.42)	(11.17)
IV	**Change in defined benefit obligation during the year**					
	1	Present value of defined benefit obligation at the beginning of the year	**140.50**	**11.17**	141.96	12.68
	2	Current service cost	**10.38**	**0.61**	10.26	0.45
	3	Interest service cost	**10.05**	**0.84**	9.89	0.73
	4	Actuarial (gains) / losses recognised in other comprehensive income				
		- Demographic changes	**(0.01)**	**-**	-	-
		- Change in financial assumptions	**2.19**	**-**	(1.79)	(0.44)
		- Experience changes	**(0.48)**	**-**	0.24	(1.63)
	5	Benefit payments	**(25.35)**	**(0.15)**	(19.77)	(0.13)
	6	Curtailment	**-**	**(12.47)**	-	-
	7	Net transfer in on account of business combinations / others	**-**	**-**	(0.29)	-
	8	Present value of defined benefit obligation at the end of the year (Refer Note (v) below)	**137.27**	**-**	140.50	11.66

Note 51- Employee benefits

Particulars			2019		2018	
			Funded	Non funded	Funded	non funded
			₹ in crore	₹ in crore	₹ in crore	₹ in crore
V	**Change in fair value of assets during the year**					
	1	Plan assets at the beginning of the year	**135.08**	**-**	138.47	-
	2	Interest income	**10.20**	**-**	10.18	-
	3	Contribution by employer	**5.80**	**-**	7.00	-
	4	Actual benefit paid	**(25.21)**	**-**	(19.77)	-
	5	Return on plan assets (excluding interest income)	**2.44**	**-**	(0.80)	-
	6	Plan assets at the end of the year	**128.32**	**-**	135.08	-
VI	**Weighted average duration of defined benefit obligation**		**10 years**	**NA**	10 years	NA
VII	**Maturity profile of defined benefit obligation**					
	1	Within the next 12 months	**13.71**	**-**	14.90	0.14
	2	Between 1 and 5 years	**56.34**	**-**	62.78	0.99
	3	Between 5 and 10 years	**74.33**	**-**	72.48	3.06
VIII	**Sensitivity analysis for significant assumptions (Refer Note (i) and (ii) below)**					
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)					
	1	For increase in discount rate by 100 basis points	**128.71**	**-**	132.12	9.28
	2	For decrease in discount rate by 100 basis points	**146.34**	**-**	149.90	13.63
	3	For increase in salary rate by 100 basis points	**146.32**	**NA**	149.85	NA
	4	For decrease in salary rate by 100 basis points	**128.65**	**NA**	132.00	NA
	5	For increase in medical inflation rate by 100 basis points	**NA**	**-**	NA	13.59
	6	For decrease in medical inflation rate by 100 basis points	**NA**	**-**	NA	9.27
IX	**The major categories of plan assets as a percentage of total plan**					
	Qualifying insurance policy with Life Insurance Corporation of India (LIC) (Refer Note (vi) below)		**100%**	**NA**	100%	NA
X	**Expected cash flows**					

Particulars			2019		2018	
			Funded	Non funded	Funded	Non funded
			₹ in crore	₹ in crore	₹ in crore	₹ in crore
	1)	Expected employer contribution in the next year	**13.71**	**-**	14.90	0.14
	2)	Expected benefit payments				
		Year 1	**13.71**	**-**	14.90	0.14
		Year 2	**15.44**	**-**	14.02	0.17
		Year 3	**14.72**	**-**	16.43	0.21
		Year 4	**12.63**	**-**	15.80	0.27
		Year 5	**13.55**	**-**	16.53	0.34
		Next 5 years	**74.33**	**-**	72.48	3.06
		Total Expected benefit payments	**144.38**	**-**	150.16	4.19

Note 51- Employee benefits

XI Actuarial Assumptions

Particulars		As at 31.12.2019	As at 31.12.2018
1)	**Financial Assumptions**		
	Discount rate (Refer Note (ii) below)	**6.80%**	7.55%
	Salary escalation (Refer Note (iii) below)	**6.50%**	7.00%
2)	**Demographic Assumptions**		
	Expected average remaining working lives of employees	**10.27**	10.23
	Disability rate	**5% mortality rates**	5% mortality rates
	Expected rate of return on plan assets (Refer Note (v) below)	**6.80%**	7.55%
	Medical premium inflation	**7.00%**	8.00%
	Retirement age	**58 - 60 years**	58 - 60 years
	Mortality pre-retirement	**Indian Assured Lives Mortality (IALM) (2012-14) Ultimate**	Indian Assured Lives Mortality (IALM) (2006-08) Ultimate
	Mortality post-retirement	**LIC (1996-98) Annuitants**	LIC (1996-98) Annuitants
	Turnover rate	**Upto age of 44 years : 5% and above 44 years : 1%**	Upto age of 44 years : 5% and above 44 years : 1%

Notes:

i) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

ii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

iii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

iv) **Basis used to determine expected rate of return on assets**

The Company has considered the current level of returns declared by LIC, i.e. 8.00% to develop the expected long-term return on assets for funded plan of gratuity.

v) During the previous year, the Company has discontinued actuarial valuation for its one "other non-funded" plan and merged another "non-funded plan" into "funded plan". Accordingly, "present value of defined benefit obligation" of non-funded plan is having a difference of ₹ 0.49 crores for the previous year.

vi) In the absence of detailed information regarding plan assets which is funded with LIC, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

f) Amount recognised as expense in respect of compensated absences is ₹ 10.45 crore (previous year - ₹ 16.23 crore).

g) The Company expects to make contribution of ₹ 13.71 crore (previous year - ₹ 14.90 crore) to the defined benefit plans during the next year.

h) Provident Fund managed by a trust set up by the Company

Provident Fund for certain eligible employees is managed by the Company through a trust "Ambuja Cements Staff Provident Fund Trust.", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund for current year and shortfall of ₹ 7.71 crore (previous year - ₹ 0.07 crore) is recognised in the Statement of Profit and Loss. The Company has contributed ₹ 6.43 crore (previous year- ₹ 7.61 crore) towards provident fund liability.

Note 51- Employee benefits

h) Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

Particulars			For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
I)	**Components of expense recognised in the Statement of Profit and Loss**			
	1	Current service cost	**6.92**	4.65
	2	Interest Cost	**8.66**	9.30
	3	Interest Income	**(8.51)**	(9.30)
	4	Total expenses	**7.07**	4.65
II)	**Amount recognised in Balance Sheet**			
	1	Present value of Defined Benefit Obligation	**(153.97)**	(139.87)
	2	Fair value of plan assets	**146.26**	139.27
	3	Funded status {Surplus/(Deficit)}	**(7.71)**	(0.60)
	4	Net asset/(liability) as at end of the year (Refer Note (ii) below)	**(7.71)**	(0.60)
III)	**Present Value of Defined Benefit Obligation**			
	1	Present value of Defined Benefit Obligation at beginning of the year	**139.87**	129.06
	2	Current service cost	**6.92**	4.65
	3	Interest cost	**8.66**	9.30
	4	Benefits paid and transfer out	**(18.04)**	(23.51)
	5	Employee Contributions	**10.49**	7.09
	6	Transfer in / (Out) Net	**1.56**	-
	7	Actuarial (gains) / losses	**4.51**	13.28
	8	Present value of Defined Benefit Obligation at the end of the year	**153.97**	139.87
IV)	**Fair Value of Plan Assets**			
	1	Plan assets at the beginning of the year	**139.27**	128.53
	2	Return on plan assets including interest income	**8.51**	9.30
	3	Contributions by Employer	**6.57**	4.65
	4	Contributions by Employee	**10.49**	7.09
	5	Transfer in / (Out) Net	**1.56**	-
	6	Asset Gain / (Loss)	**(2.10)**	13.21
	7	Actual benefits paid	**(18.05)**	(23.51)
	8	Plan assets at the end of the year	**146.26**	139.27
V)	**Amounts recognised in Other Comprehensive Income at period end**			
	1	Actuarial (Gain) / Loss on Liability	**4.51**	13.28
	2	Actuarial (Gain) / Loss on Plan assets	**2.10**	(13.21)
	3	Total Actuarial (Gain) / Loss included in OCI	**6.61**	0.07
VI)	**Weighted Average duration of Defined Benefit Obligation**		**10 years**	10 years
VII)	**The major categories of plan assets as a percentage of total plan**			
	1	Special deposits scheme	**4.00%**	5.00%
	2	Government Securities	**47.00%**	48.00%
	3	Debentures and Bonds	**47.00%**	44.00%
	4	Mutual Fund	**2.00%**	3.00%
			100.00%	100.00%
VIII)	**The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:**			
	1	Discounting rate	**6.80%**	7.55%
	2	Guaranteed interest rate	**8.65%**	8.55%

Note 51- Employee benefits

Particulars			As at December 31, 2019	As at December 31, 2018
IX)	Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)			
	1	Discount rate (1% increase)	**153.57**	139.63
	2	Discount rate (1% decrease)	**154.47**	140.15
	3	Interest rate guarantee (1% increase)	**161.12**	145.70
	4	Interest rate guarantee (1% decrease)	**150.73**	139.97

Notes:

i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

ii) In respect of Provident Fund, only liability and not surplus is recognised in the Balance Sheet.

iii) The Company expects to contribute ₹ 6.00 crore (previous year - ₹ 6.50 crore) to the trust managed Provident Fund in next year.

Note 52 - Leases

(Refer Note 3 (S) for accounting policy on leases)

A) Operating lease commitments - Company as a lessee

i) The Company has entered into various long term lease agreements for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31st December 2019 aggregating ₹ 35.55 crore (31st December 2018 - ₹ 36.86 crore) is included in other non current / current assets, as applicable.

ii) The Company has also taken various residential premises, lands, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

iii) The lease payments recognised in the statement of profit and loss under other expenses amounts to ₹ 54.50 crore (31st December 2018 - ₹ 46.86 crore).

iv) The lease payments recognised in the statement of profit and loss under freight and forwarding expense on finished products amounts to ₹ 26.99 crore (31st December 2018 - ₹ 35.94 crore).

v) General description of the leasing arrangement :

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases.

Future lease rental payments under non-cancellable operating leases are as follows :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Not later than one year	**37.28**	22.73
Later than one year and not later than five years	**83.90**	35.22
Later than five years	**120.56**	23.16
Total	**241.74**	81.11

B) Finance leases - Company as a lessee

The Company has entered into various finance lease agreements for land which have been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land (Refer Note 4). The Company does not have an option to purchase such leasehold land at the end of the lease period. There are no restrictions such as those concerning dividends, additional debts and further leasing imposed by the lease agreement.

Note 53 Disclosure pursuant to SEBI (Listing obligations and disclosure requirements, 2015 and Section 186(4) of the Companies Act, 2013 :

Particulars	As at 31.12.2019		As at 31.12.2018	
	Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Unsecured loans to wholly owned Subsidiaries :				
a) Dirk India Private Limited (For working capital requirement, carrying interest @ 12% p.a. Company has made provision against loans and interest receivable thereon as on 31st December 2018 (Refer Note 59 (b) & 60).	**37.94**	**37.94**	37.94	37.94
b) Chemical Limes Mundwa Private Limited (For working capital requirement. Repayment on call basis and carries an interest rate in range of @ 10% p.a. to 12% p.a)	**1.28**	**1.28**	1.03	1.03
c) M.G.T Cements Private limited (For working capital requirement. Repayment on call basis and carries an interest rate @ 10.55% p.a.)	**0.01**	**0.01**	-	-

Notes:

1) None of the loanees have made, per se, investment in the shares of the Company.
2) Details of investments made is given in Note 8.
3) Outstanding loans as disclosed above do not include interest accrued thereon.

Note 54 - Related party disclosure

1) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
i)	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
ii)	Holderfin B.V, Netherlands	Intermediate Holding Company
iii)	Holderind Investments Limited, Mauritius	Holding Company
iv)	ACC Limited	Subsidiary
v)	M.G.T. Cements Private Limited	Subsidiary
vi)	Chemical Limes Mundwa Private Limited	Subsidiary
vii)	Dang Cement Industries Private Limited, Nepal	Subsidiary
viii)	Dirk India Private Limited	Subsidiary
ix)	OneIndia BSC Private Limited	Subsidiary
x)	ACC Mineral Resources Limited	Subsidiary of ACC Limited
xi)	Lucky Minmat Limited	Subsidiary of ACC Limited
xii)	National Limestone Company Private Limited	Subsidiary of ACC Limited
xiii)	Singhania Minerals Private Limited	Subsidiary of ACC Limited
xiv)	Bulk Cement Corporation (India) Limited	Subsidiary of ACC Limited

Note 54 - Related party disclosure

B) Others, with whom transactions have taken place during the current year and /or previous year

i) Related parties

Sr	Name	Nature of Relationship
a)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
b)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
c)	Holcim Services (South Asia) Limited	Fellow Subsidiary
d)	Holcim Trading FZCO., UAE	Fellow Subsidiary
e)	Holcim (Romania) S.A., Romania	Fellow Subsidiary
f)	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
g)	LafargeHolcim Building Materials (China) Limited	Fellow Subsidiary
h)	Lafarge Cement AS,Czech Republic	Fellow Subsidiary
i)	Holcim (US) Inc	Fellow Subsidiary
j)	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidary
k)	Lafarge Africa PLC, Nigeria	Fellow Subsidary
l)	Counto Microfine Products Private Limited	Joint Venture
m)	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
n)	Ambuja Cements Limited Employees Grautity Fund Trust	Trust (Post-employment benefit plan)

ii) Key Management Personnel (KMP)

In accordance with "Ind AS 24 - Related Party Disclosures" and the Companies Act, 2013, following Personnels are considered as KMP.

Sr	Name	Nature of Relationship
a)	Mr. N.S. Sekhsaria	Non-Executive Director
b)	Mr. Jan Jenisch	Non-Executive Director
c)	Mr. Martin Kriegner	Non-Executive Director
d)	Mr. Christof Hassig	Non-Executive Director
e)	Ms. Usha Sangwan	Non-Executive Director (upto 20th December 2018)
f)	Mr. B.L.Taparia	Non-Executive Director(upto 29th March 2019)
g)	Mr. Nasser Munjee	Independent Director
h)	Mr. Rajendra P. Chitale	Independent Director
i)	Mr. Shailesh Haribhakti	Independent Director
j)	Dr. Omkar Goswami	Independent Director
k)	Mr. Haigreve Khaitan	Independent Director (upto 31st March 2019)
l)	Mr. Roland Kohler	Non-Executive Director
m)	Ms. Then Hwee Tan	Non-Executive Director (with effect from 18th February 2019)
n)	Mr. Mahendra Kumar Sharma	Non-Executive Director (with effect from 01st April 2019)
o)	Ms. Shikha Sharma	Independent Director (with effect from 01st April 2019)
p)	Mr. Ranjit Shahani	Non-Executive Director (with effect from 01st April 2019)
q)	Mr. Praveen Kumar Molri	Non-Executive Director (with effect from 01st April 2019)
r)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer (upto 28th February 2019)
s)	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (with effect from 1st March 2019)
t)	Mr. Suresh Joshi	Chief Financial Officer (upto 30th April 2019)
u)	Ms. Sonal Shrivastava	Chief Financial Officer (with effect from 1st May 2019)
v)	Mr. Rajiv Gandhi	Company Secretary

Note 54 - Related party disclosure

II) Transactions with related party

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
A) Transactions with subsidiaries during the year		
1 Purchase of goods		
Dirk India Private Limited	**0.59**	0.87
ACC Limited	**103.61**	31.72
	104.20	32.59
2 Sale of goods		
ACC Limited	**115.08**	35.02
3 Rendering of services		
ACC Limited	**32.52**	47.40
4 Interest income		
Dirk India Private Limited	**4.55**	4.55
Chemical Limes Mundwa Private Limited	**0.14**	0.12
	4.69	4.67
5 Receiving of services		
Dirk India Private Limited	**13.46**	15.84
ACC Limited	**41.98**	47.43
OneIndia BSC Private Limited	**22.14**	25.38
	77.58	88.65
6 Purchase of fixed asset		
ACC Limited	**-**	19.23
7 Dividend Received		
ACC Limited	**131.58**	140.98
8 Other recoveries		
ACC Limited	**9.78**	0.01
9 Other payments		
ACC Limited	**0.14**	0.62
OneIndia BSC Private Limited	**0.01**	0.01
	0.15	0.63

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
B) Outstanding balances with subsidiary Companies		
1 Inter corporate deposits and loans given		
Chemical Limes Mundwa Private Limited	**0.25**	0.18
M.G.T. Cements Private Limited	**0.01**	-
	0.26	0.18
2 Loans / inter corporate deposits given outstanding at the year end		
Secured		
Dirk India Private Limited	**-**	-
Chemical Limes Mundwa Private Limited	**-**	-
Unsecured, Considered good		
M.G.T. Cements Private Limited	**0.01**	-
Dirk India Private Limited	**-**	-
Chemical Limes Mundwa Private Limited	**1.28**	1.03
Unsecured loans which have significant increase in credit risk		
Dirk India Private Limited (Refer Note 59(b))	**37.94**	37.94
	39.23	38.97

Note 54 - Related party disclosure

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
3 Amount receivable at the year end		
Unsecured, considered good		
Chemical Limes Mundwa Private Limited	**0.11**	0.09
ACC Limited	**44.53**	18.35
Dirk India Private Limited	**3.06**	-
Unsecured interest on loans which have significant increase in credit risk		
Dirk India Private Limited (Refer Note 59(b))	**10.60**	10.60
	58.30	29.04
4 Amount payable at the year end		
Dirk India Private Limited	**7.49**	2.48
ACC Limited	**28.28**	15.22
OneIndia BSC Private Limited	**4.04**	2.86
	39.81	20.56

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
C) Transactions with fellow subsidiaries during the year		
1 Purchase of goods		
LafargeHolcim Energy Solutions S.A.S., France	**282.25**	264.90
2 Purchase of Fixed Assets		
Holcim (US) Inc	**97.58**	-
3 Receiving of services		
Holcim Group Services Limited, Switzerland	**0.25**	1.60
Holcim Technology Limited, Switzerland	**112.67**	109.46
Holcim Services (South Asia) Limited	**51.79**	66.85
	164.67	177.91
4 Rendering of services		
Holcim Services (South Asia) Limited	**1.60**	2.56
5 Other recoveries		
LafargeHolcim Energy Solutions S.A.S., France	**0.17**	0.13
Holcim Technology Limited, Switzerland	**0.44**	0.13
LafargeHolcim Bangladesh Ltd,Bangladesh	**0.01**	-
Lafarge Africa PLC,Nigeria	**0.16**	-
	0.78	0.26
6 Other payments		
LafargeHolcim Energy Solutions S.A.S., France	**3.97**	2.33
LafargeHolcim Building Materials (China) Limited	**0.04**	0.88
Lafarge Cement AS,Czech Republic	**-**	0.01
Holcim Technology Limited, Switzerland	**1.99**	0.96
	6.00	4.18

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
D) Outstanding balances with fellow subsidiary Companies		
1 Amount payable at the year end		
Holcim Technology Limited, Switzerland	**30.66**	29.08
Holcim Services (South Asia) Limited	**22.88**	-
Holcim (Romania) S.A., Romania	**0.03**	0.03
Holcim Trading FZCO., UAE	**-**	0.18
Holcim Group Services Limited, Switzerland	**0.10**	0.66
LafargeHolcim Energy Solutions S.A.S., France	**30.96**	69.89
LafargeHolcim Building Materials (China) Limited	**-**	0.89
	84.63	100.73
2 Amount receivable at the year end		
Holcim Services (South Asia) Limited	**0.67**	2.90
LafargeHolcim Bangladesh Ltd,Bangladesh	**0.01**	-
	0.68	2.90

Note 54 - Related party disclosure

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
E) Transactions with holding company during the year		
1 Dividend paid		
Holderind Investments Limited, Mauritius	**187.97**	250.63
F) Transactions with joint ventures during the year		
1 Rendering of services		
Counto Microfine Products Private Limited	**2.62**	3.02
2 Dividend Received		
Counto Microfine Products Private Limited	**1.66**	-
3 Buy back of shares		
Counto Microfine Products Private Limited	**-**	1.50
4 Purchase of Goods		
Counto Microfine Products Private Limited	**0.01**	-

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
G) Outstanding balances with joint ventures		
Amount receivable at the year end		
Counto Microfine Products Private Limited	**0.75**	0.61

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
H) Transactions with Key Management Personnel		
1 Remuneration (Refer Note (a) below)		
Mr. Ajay Kapur	**7.19**	10.96
Mr. Bimlendra Jha	**6.49**	-
Mr. Suresh Joshi	**0.93**	2.76
Ms. Sonal Shrivastava	**1.30**	-
Mr. Rajiv Gandhi	**0.98**	1.07
	16.89	14.79
2 Break-up of remuneration		
Short term employment benefit	**10.57**	13.86
Post employment benefits	**3.73**	0.78
Other long term benefits	**2.59**	0.15
	16.89	14.79
3 Commission, sitting fees and advisory fee		
Mr. N.S. Sekhsaria	**0.54**	0.56
Mr. Martin Kriegner (Refer Note (e) below)	**-**	0.05
Mr. Christof Hassig	**0.22**	0.24
Ms. Usha Sangwan	**-**	0.20
Mr. Nasser Munjee	**0.42**	0.45
Mr. Rajendra P. Chitale	**0.54**	0.57
Mr. Shailesh Haribhakti	**0.43**	0.43
Dr. Omkar Goswami	**0.41**	0.44
Mr. Haigreve Khaitan	**0.10**	0.43
Mr. Jan Jenisch	**0.22**	0.21
Mr. Roland Kohler	**0.22**	0.19
Ms. Then Hwee Tan	**0.35**	-
Mr. Mahendra Kumar Sharma	**0.17**	-
Ms. Shikha Sharma	**0.31**	-
Mr. Ranjit Shahani	**0.18**	-
Mr. Praveen Kumar Molri	**0.17**	-
Mr. B.L.Taparia	**0.17**	1.37
	4.45	5.14
Total	**21.34**	19.93

Note 54 - Related party disclosure

Notes:

a) Remuneration does not include :
   i) Provision for contribution to gratuity fund, leave encashment and other defined benefits which are provided based on actuarial valuation on an overall Company basis.
   ii) Performance incentive for respective years, pending finalisation. Current year includes performance bonus related to performance of previous year.

b) Contribution to Ambuja Cements Limited Staff Provident Fund Trust :

The Company is required to contribute a specified percentage of the employee compensation for eligible employees towards provident fund. For the same the Company makes monthly contribution to a trust specified for this purpose. During the year, the Company has contributed ₹ 6.57 crore (previous year - ₹ 4.65 crore).

c) Contribution to Ambuja Cements Limited Employees Gratuity Fund Trust :

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Company has contributed ₹ 5.80 (previous year - ₹ 7.00 crore).

d) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for trade receivables from related parties (previous year - nil).

e) Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 23rd October 2018.

Note 55 - Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Classification of financial assets and liabilities

₹ in crore

Particulars	Notes	Carrying value	Fair Value	Carrying value	Fair Value
		As at 31.12.2019		As at 31.12.2018	
Financial assets					
a) Measured at amortised cost					
Cash and cash equivalents	16	**3,858.55**	**3,858.55**	2,919.82	2,919.82
Bank balances other than cash and cash equivalents	17	**187.20**	**187.20**	179.64	179.64
Trade Receivables	15	**513.22**	**513.22**	470.26	470.26
Loans	11, 18	**67.41**	**67.41**	64.63	64.63
Other financial assets (Refer Note 61)	12, 19	**601.81**	**601.81**	455.72	455.72
Total financial assets measured at amortised cost		**5,228.19**	**5,228.19**	4,090.07	4,090.07
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	**653.74**	**653.74**	230.51	230.51
Investment in unquoted equity instruments	9	**-**	**-**	-	-
Total financial assets (a+b)		**5,881.93**	**5,881.93**	4,320.58	4,320.58
Financial liabilities					
a) Measured at amortised cost					
Trade payables		**935.98**	**935.98**	1,109.46	1,109.46
Other financial liabilities	27, 34	**782.57**	**782.57**	617.26	617.26
Interest free loan from State Government	26	**35.28**	**30.41**	39.68	27.17
Total financial liabilities at amortised cost		**1,753.83**	**1,748.96**	1,766.40	1,753.89
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	**0.09**	**0.09**	0.09	0.09
Total financial liabilities (a+b)		**1,753.92**	**1,749.05**	1,766.49	1,753.98

Note 55 - Financial instruments

B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

₹ in crore

Particulars	For the year ended 31st December 2019	For the year ended 31st December 2018
Financial assets measured at amortised cost		
Interest income	**211.05**	153.27
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	**27.84**	44.18
Net gain on fair valuation of liquid mutual fund	**2.74**	0.51
Financial liabilities measured at amortised cost		
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	**1.12**	6.25
Interest expenses on deposits from dealers	**25.25**	26.03
Financial liabilities measured at fair value through profit or loss		
Net Loss of on foreign currency forward contract	**0.13**	0.91
Net gain recognised in Statement of Profit and Loss	**215.13**	164.77

C) Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

a) Level 1

This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2

This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3

This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

D) For assets and liabilities which are measured at fair value, the classification of fair value calculations by category is summarized below :

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore	Level	Valuation techniques and key inputs
Financial assets					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	**653.74**	230.51	1	Investment in liquid and short term mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.
Investment in unquoted equity instruments (other than subsidiaries and joint ventures)	9	**-**	-	3	Using discounted cash flow method.

Note 55 - Financial instruments

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore	Level	Valuation techniques and key inputs
Financial liabilities					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	**0.09**	0.09	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Note:

a) There was no transfer between level 1 and level 2 fair value measurement.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

In the Company's opinion the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

Note 56 - Financial risk management objectives and policies

The Company has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarized below.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks a) interest rate risk b) currency risk and c) other price risk. Financial instruments affected by market risk comprise deposits, investments, trade payables.

The Company is not an investor in equity market. The Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and liquid mutual funds (debt market). Mark to market movements in respect of the Company's investments are valued through the statement of profit and loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post - retirement obligations and provisions.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the security deposit taken from its dealers.

Note 56 - Financial risk management objectives and policies

Interest risk exposure

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Interest bearing		
Security deposit from dealers (Refer Note 34)	**506.41**	404.67
Non-interest bearing		
Current maturities of non-current borrowings (Refer Note 34)	**5.78**	-
Borrowings - Interest free sales tax loan (Refer Note 26)	**35.28**	39.68
Total	**547.47**	444.35
Interest rate sensitivities for unhedged exposure (Refer Note (a) below)		
Security deposit from dealers		
Impact of increase in 100 bps would decrease profit by	**5.06**	4.05
Impact of decrease in 100 bps would increase profit by	**(5.06)**	(4.05)

Note:

a) Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The total carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2019		As at 31.12.2018	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**3.27**	**0.04**	2.66	0.04
EURO	**3.24**	**0.04**	4.38	0.05
GBP	**0.22**	**-**	0.01	-
JPY	**0.27**	**0.41**	1.01	1.60
SEK	**0.01**	**-**	0.27	0.03
SGD	**-**	**-**	0.12	-
USD	**10.97**	**0.16**	10.59	0.16
CNY	**-**	**-**	0.89	0.09
Total	**17.98**		19.93	
Trade receivables, loans and other financial assets (Unhedged)				
USD	**9.13**	**0.13**	2.55	0.04
CHF	**0.60**	**0.01**	0.17	-
DKK	**-**	**-**	0.01	-
EURO	**2.28**	**0.03**	6.32	0.06
GBP	**0.22**	**-**	0.01	-
JPY	**-**	**-**	1.90	3.01
SGD	**0.04**	**-**	0.22	-
SEK	**0.07**	**0.01**	0.24	0.03
Total	**12.34**		11.42	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports	**36.21**	**0.50**	64.11	0.91

Note 56 - Financial risk management objectives and policies

Foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particulars	As at 31.12.2019		As at 31.12.2018	
	1 % strengthening of ₹	1 % weakening of ₹	1 % strengthening of ₹	1 % weakening of ₹
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**0.03**	**(0.03)**	0.03	(0.03)
EURO	**0.03**	**(0.03)**	0.04	(0.04)
GBP	**-**	**-**	-	-
JPY	**-**	**-**	0.01	(0.01)
SEK	**-**	**-**	-	-
SGD	**-**	**-**	-	-
USD	**0.11**	**(0.11)**	0.11	(0.11)
CNY	**-**	**-**	0.01	(0.01)
Increase / (Decrease) in profit	**0.17**	**(0.17)**	0.20	(0.20)

Particulars	As at 31.12.2019		As at 31.12.2018	
	1 % weakening of ₹	1 % strengthening of ₹	1 % weakening of ₹	1 % strengthening of ₹
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade receivables, loans and other financial assets (Unhedged)				
USD	**0.09**	**(0.09)**	0.02	(0.02)
CHF	**0.01**	**(0.01)**	-	-
DKK	**-**	**-**	-	-
EURO	**0.02**	**(0.02)**	0.07	(0.07)
GBP	**0.01**	**(0.01)**	-	-
JPY	**-**	**-**	0.02	(0.02)
SGD	**-**	**-**	0.01	(0.01)
SEK	**0.07**	**(0.07)**	-	-
Increase / (Decrease) in profit	**0.20**	**(0.20)**	0.12	(0.12)

In the Company's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year / in future years.

c) Other price risk

Other price risk includes commodity price risk. The Company primarily imports coal, pet coke and gypsum. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Trade receivables (Refer Note 15)	**9.90**	3.82
Financial assets other than trade receivables		
Loans to related party - Subsidiary (Refer Note 11)	**37.94**	37.94
Loans to Joint Operation (Refer Note 11)	**0.98**	0.89
Interest receivable from related party (Refer Note 12)	**10.60**	10.60
Other receivable (Refer Note 19)	**5.70**	-
	55.22	49.43
Total	**65.12**	53.25

Note 56 - Financial risk management objectives

Financial assets other than trade receivables

The exposure to the Company arising out of this category consist of balances with banks, investments in liquid mutual funds (debt markets), incentives receivables from government and loans which do not pose any material credit risk. Such exposure is also controlled, reviewed and approved by the management of the Company on routine basis. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Credit risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total investments in liquid mutual funds as on 31st December 2019 are ₹ 653.74 crore (31st December 2018 - ₹ 230.51 crore)

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Trade receivables

Trade receivables consist of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. The exposure in credit risk arising out of major customers is generally backed either by bank guarantee, letter of credit or security deposits.

The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

The Company does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

The ageing analysis of trade receivables :

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Up to 6 months	**507.76**	449.93
More than 6 months	**5.46**	20.33
Total	**513.22**	470.26

Expected credit loss assessment

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Movement in expected credit loss allowance of trade receivables		
Balance at the beginning of the year	**3.82**	5.86
Add: provided during the year	**7.67**	1.85
Less : reversal of provisions	**1.59**	3.89
Balance at the end of the year	**9.90**	3.82
Movement in expected credit loss allowance of financial assets other than trade receivables		
Balance at the beginning of the year	**49.43**	0.89
Add: provided during the year	**5.79**	48.54
Less : reversal of provisions	**-**	-
Balance at the end of the year	**55.22**	49.43

Expected credit loss provision in respect of financial assets other than trade receiavbles comprise of loans extended to subsidiary and joint operation of the company

C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

Note 56 - Financial risk management objectives

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on undiscounted contractual payments.

Particulars	Less than 1 year ₹ in crore	More than 1 year ₹ in crore	Total ₹in crore
As at 31st December 2019			
Borrowings	**-**	**35.28**	**35.28**
Trade payables	**935.98**	**-**	**935.98**
Other financial liabilities (Refer Note (a) below)	**782.04**	**0.62**	**782.66**
Total	**1,718.02**	**35.90**	**1,753.92**
Cash and cash equivalents	**4,512.29**	**-**	**4,512.29**
As at 31st December 2018			
Borrowings	-	39.68	39.68
Trade payables	1,109.46	-	1,109.46
Other financial liabilities (Refer Note (a) below)	616.17	1.18	617.35
Total	1,725.63	40.86	1,766.49
Cash and cash equivalents	3,150.33	-	3,150.33

Note:

a) Other financial liabilities includes deposits received from customers amounting to ₹ 506.41 crore (31st December 2018 - ₹ 404.67 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

Note 57 - Standards issued but not yet effective

On 30th March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 "Leases". Ind AS 116 will replace Ind AS 17 "Leases" and its related interpretations. The new standard sets out the principles for recognition, measurement, presentation and disclosure of leases by both the parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the time this standard is first applied and a corresponding right-of-use-asset.

The Company intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period.

Leases that were accounted for as operating leases in accordance with Ind AS 17 "Leases", will be recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted using the lessee's incremental borrowing rate as at the date of initial application.

Furthermore, the Company has chosen the option whereby the right-of-use asset would equal the lease liability at the initial application of Ind AS 116.

Balance sheet:

The Company is currently finalising the implementation of the Ind AS 116 standard, which is expected to translate as of 1st January 2020 into additional lease liabilities and right-of-use assets approximately ₹ 168 crore.

Statement of Profit and Loss:

The Company estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹ 20 crore from the right-of-use assets. This will offset the reduction in operating lease expenses of around ₹ 28 crore per year, resulting in an overall increase in Earnings before interest and taxes (EBIT) of ₹ 8 crore. Finance costs are expected to increase by approximately ₹ 10 crore per year due to the interest recognised on lease liabilities.

Statement of Cash Flows:

The Company estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹ 28 crore with a related decrease in cash flows used in financing activities of ₹ 28 crore which relates to lease payments.

Note 57 - Standards issued but not yet effective

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on 30th March 2019 which is effective from 1st January 2020.

a) Ind AS 12 - Appendix C, "Uncertainty over Income Tax Treatments"

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company has used in tax computation or plan to use in their income tax filings. The Company has currently carried out an initial assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

b) Ind AS 19 – "Plan amendment, curtailment or settlement"

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

c) Amendments to Ind AS 28, "Investments to Associates and Joint Ventures"

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any such long-term interests in associates and joint ventures.

d) Amendments to Ind AS 109, "Financial Instruments"

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Financial Statements.

Note 58 - Segment reporting

(Refer Note 3 (T) for accounting policy on segment reporting)

A) The principal business of the Company is of manufacturing and sale of cement and cement related products. All other activities of the Company revolve around its main business. The Executive Committee of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined by Ind AS 108 "Operating Segments", i.e. cement and cement related products.

B) Geographical Information

The Company operates in geographical areas - India (country of domicile) and others (outside India).

Particular		Revenues from customers		Non-current assets (Refer Note (a) below)	
		For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
a)	Within India	**11,352.76**	10,977.00	**7,917.78**	7,355.13
b)	Others (Refer Note (b) below)	**-**	-	**-**	-
	Total	**11,352.76**	10,977.00	**7,917.78**	7,355.13

Notes:

a) As per Ind AS 108 "Operating Segments", non current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

b) Sales outside India are in functional currency.

C) Information about major customers

During the year ended 31st December 2019 and 31st December 2018, there is no single customer contributes 10% or more to the Company's revenue.

Note 59 - Exceptional Items

Exceptional items for previous year, includes :

a) ₹ 81.41 crore, on account of charge towards separation scheme for employees.

b) Dirk India Private Limited (DIPL) is a wholly owned subsidiary of the Company. The Company has extended interest bearing loans to DIPL. DIPL's economic performance is subdued because of effects of ongoing legal dispute with its supplier of key raw material. The company is making all attempts through legal and formal resources to resolve the disputes however given circumstances and analysis of events occurred, there is likelihood that economic performance of DIPL shall remain adverse. Considering this situation, the Company has performed a test of impairment and determined the value in use based on estimated cash flow projections. As a result, management has recognised a provision towards loans and interest thereon amounting to ₹ 37.94 crore and ₹ 10.60 crore respectively, due to the Company as on 31st December 2018.

Note 60 - Proposed amalgamation of a subsidiary

During the year, the Board of Directors has approved the amalgamation of Dirk India Private Limited, a wholly owned subsidiary, with the Company, with effect from 1st January 2020, in terms of the scheme of amalgamation, subject to regulatory approval. Pending such approval, no effect of the proposed amalgamation has been given in these financial statements.

Note 61 - Reclassification of certain Incentives Receivable from Government included under Financial Asset

Consequent to clarification issued by The Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India, the Company has evaluated the classification of incentives in the financial statements. Considering that the Company has complied with the conditions attached to the scheme and is entitled to the incentives as per the scheme, accrued Incentives Receivable under Government Schemes mainly in the form of GST / VAT refunds from the various state governments falls under the definition of financial instrument (Refer Notes 12 and 19). Accordingly, the Company has reclassified the said receivables from non-financial assets to financial assets as per Ind AS 109. Consequently, all comparative periods presented have been reclassified as per current year presentation. The Company believes that the reclassification has no material effect on the information in the Balance Sheet.

Note 62

Figures below ₹ 50,000 have not been disclosed.

Note 63

Figures for the previous year have been regrouped / reclassified wherever necessary, to conform to current year's classification.

The accompanying notes are integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

Sonal Shrivastava Chief Financial Officer	**N.S. Sekhsaria** Chairman & Principal Founder DIN - 00276351	**Rajendra P. Chitale** Chairman - Audit Committee DIN - 00015986	**Martin Kriegner** Director DIN - 00077715	**Shailesh Haribhakti** Director DIN - 00007347
Rajiv Gandhi Company Secretary	**Shikha Sharma** Director DIN - 00043265	**Omkar Goswami** Director DIN - 00004258	**Christof Hassig** Director DIN - 01680305	**Ranjit Shahani** Director DIN - 00103845
	Mahendra Kumar Sharma Director DIN - 00327684	**Roland Kohler** Director DIN - 08069722		
	Bimlendra Jha Managing Director & Chief Executive Officer DIN - 02170280			

Mumbai, 20th February, 2020

To The Members of Ambuja Cements Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ambuja Cements Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st December 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and which includes five joint operations of the Group accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 December 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

1. We draw attention to Notes 48(b)(i) & 48(b)(ii) to the consolidated Ind AS financial statements which describes the following matters:

   (a) In terms of the order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹2,311.50 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Parent and ACC Limited (a subsidiary of the Parent). On appeal by the Parent and ACC Limited, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order passed on 25th July, 2018 had upheld the CCI's Order. The appeals by the Parent and ACC Limited against the said judgement of NCLAT before the Hon'ble Supreme Court were admitted vide its order dated 5th October, 2018 with a direction that the interim order passed by the Tribunal would continue.

   (b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated 19th January, 2017 had imposed penalty of ₹ 65.16 crores for alleged contravention of the provisions of the Competition Act by the Parent and ACC Limited. On appeal by the Parent and ACC Limited, together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

   Based on the assessment of the Parent and ACC Limited on the outcome of these appeals, supported by the advice of external legal counsel, both the companies are of the view that no provision is necessary in respect of these matters.

   Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** (Refer Notes 3M and 48, read along with Emphasis of Matter in Independent Auditor's Report to the consolidated financial statements) The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views, possible basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'; • Examined the Group's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the Management from external law firms to challenge the basis used for provisions recognised or the disclosures made in the consolidated financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions. • For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.
2.	**Income tax provision :** (Refer Notes 3S, 29 and 30 to the consolidated financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes / litigations • Provision for tax involves interpretation of rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2019 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provision. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint operation, subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operations, subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the

Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of eight subsidiaries (which includes four joint operations of a subsidiary) and a joint operation of the Parent, whose financial statements reflect total assets of ₹123.55 crores as at 31st December, 2019, total revenues of ₹43.49 and net cash inflows amounting to ₹10.54 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹19.97 crores for the year ended 31st December, 2019, as considered in the consolidated financial statements, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st December, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its joint operation companies, subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st December, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Notes 48 and 49 to the consolidated financial statements;

   ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India, on the basis of information available with the Group.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 20040081AAAAAM1140)

Place: Mumbai
Date: 20th February, 2020

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated Ind AS financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2019)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st December, 2019, we have audited the internal financial controls over financial reporting of Ambuja Cements Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiary companies, two associate companies and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 20040081AAAAAM1140)

Place: Mumbai
Date: 20th February, 2020

Consolidated Balance Sheet as at 31st December, 2019

Consolidated

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	12,605.99	12,616.48
b) Capital work-in-progress (Refer Note 7)		1,554.43	1,008.17
c) Goodwill	5	7,881.49	7,881.49
d) Other intangible assets	6	213.86	137.97
e) Investments in associates and joint ventures	8	145.87	129.53
f) Financial assets			
i) Investments	9	3.70	3.70
ii) Loans	11	208.63	231.32
iii) Other financial assets	12	841.68	542.97
g) Non-current tax assets (net) (Refer Note 31)		1,041.99	887.51
h) Deferred tax assets (net)		4.16	3.86
i) Other non-current assets	13	1,361.53	1,490.88
Total - Non-current assets		25,863.33	24,933.88
2 Current assets			
a) Inventories	14	2,096.50	2,957.89
b) Financial assets			
i) Trade receivables	15	1,068.56	1,304.54
ii) Cash and cash equivalents	16	9,011.88	6,093.11
iii) Bank balances other than cash and cash equivalents	17	342.67	346.17
iv) Loans	18	32.28	80.61
v) Other financial assets	19	496.62	470.37
c) Other current assets	20	1,235.25	1,142.61
		14,283.76	12,395.30
d) Non-current assets classified as held for sale	21	35.25	11.55
Total - Current assets		14,319.01	12,406.85
TOTAL - ASSETS		40,182.34	37,340.73
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	22	397.13	397.13
b) Other equity	25	23,680.86	21,973.35
Equity attributable to owners of the Company		24,077.99	22,370.48
c) Non controlling interest		5,736.76	5,231.19
Total Equity		29,814.75	27,601.67
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	26	35.28	39.68
ii) Other financial liabilities	27	0.62	1.18
b) Provisions	28	288.82	181.49
c) Deferred tax liabilities (net)	29	936.73	1,115.28
d) Other non-current liabilities	32	35.83	7.17
Total - Non-current liabilities		1,297.28	1,344.80
2 Current liabilities			
a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro and small enterprises	33	12.37	8.54
Total outstanding dues of creditors other than micro and small enterprises		2,320.51	2,997.66
ii) Other financial liabilities	34	1,719.63	1,391.81
b) Other current liabilities	35	3,658.72	3,089.86
c) Provisions	36	109.89	119.24
d) Current tax liabilities (net) (Refer Note 31)		1,249.19	787.15
Total - Current liabilities		9,070.31	8,394.26
Total Liabilities		10,367.59	9,739.06
TOTAL - EQUITY AND LIABILITIES		40,182.34	37,340.73

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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

Rajendra P. Chitale
Chairman - Audit Committee
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Christof Hassig
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Ranjit Shahani
Director
DIN - 00103845

Mahendra Kumar Sharma
Director
DIN - 00327684

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

Consolidated Statement of Profit and Loss for the year ended 31st December, 2019

Consolidated

Particulars		Notes	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
1	**Income**			
	a) Revenue from operations	37	**27,103.55**	26,040.94
	b) Other income	39	**580.74**	371.44
	Total Income		**27,684.29**	26,412.38
2	**Expenses**			
	a) Cost of materials consumed	40	**3,231.22**	3,346.50
	b) Purchase of stock-in-trade	41(a)	**308.82**	89.22
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	41(b)	**143.64**	(197.87)
	d) Employee benefits expense	42	**1,570.75**	1,524.37
	e) Finance costs	43	**169.87**	170.50
	f) Depreciation and amortisation expense	44	**1,152.52**	1,153.94
	g) Power and fuel		**5,722.19**	5,548.62
	h) Freight and forwarding expense	45	**7,127.97**	7,272.41
	i) Other expenses	46	**4,410.44**	4,450.60
			23,837.42	23,358.29
	j) Self consumption of cement		**(8.47)**	(3.70)
	Total Expenses		**23,828.95**	23,354.59
3	**Profit before share of profit of joint ventures and associates, exceptional items and tax expense (1-2)**		**3,855.34**	3,057.79
4	Share of profit of joint ventures and associates		**19.97**	12.53
5	**Profit before exceptional items and tax expense (3+4)**		**3,875.31**	3,070.32
6	Exceptional items	62	**-**	151.78
7	**Profit before tax (5-6)**		**3,875.31**	2,918.54
8	**Tax expense**	30		
	a) For the current year			
	i) Current tax - charge		**1,264.70**	936.69
	ii) Deferred tax - (credit)		**(172.55)**	(118.20)
	b) Relating to earlier years			
	i) Current tax - (credit)	31	**-**	(872.64)
	ii) Deferred tax - (credit)		**-**	-
			1,092.15	(54.15)
9	**Profit for the year (7-8)**		**2,783.16**	2,972.69
10	**Other comprehensive income**			
	Items not to be reclassified to profit or loss in subsequent periods			
	a) Remeasurement gains / (losses) on defined benefit plans		**(82.78)**	(4.48)
	b) Share of remeasurement gains / (losses) on defined benefit plans of joint ventures and associates		**0.18**	0.01
	Tax adjustment on above		**28.92**	1.86
	Total other comprehensive income		**(53.68)**	(2.61)
11	**Total comprehensive income for the year (9+10)**		**2,729.48**	2,970.08
12	**Profit for the year attributable to**			
	Owners of the Company		**2,095.00**	2,177.40
	Non-controlling interest		**688.16**	795.29
13	**Other comprehensive income attributable to**			
	Owners of the Company		**(29.09)**	(0.17)
	Non-controlling interest		**(24.59)**	(2.44)
14	**Total comprehensive income attributable to**			
	Owners of the Company		**2,065.91**	2,177.23
	Non-controlling interest		**663.57**	792.85
15	**Earnings per share of ₹ 2 each - in ₹**	47		
	Basic		**10.55**	10.97
	Diluted		**10.55**	10.96

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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Chairman & Principal Founder
DIN - 00276351

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Director
DIN - 00327684

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
A Equity share capital	**22**		
Opening balance		**397.13**	397.13
Changes during the year		-	-
Closing balance		**397.13**	397.13

B Other equity

Particulars	Reserves and surplus (Refer Note 25)									
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidies	Capital contribution from parent	Retained earnings	Total other equity attributable to owners of the Company	Non controlling interest	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Balance as at 31st December 2017	130.71	12,471.16	5,814.49	9.93	5.02	-	1,843.76	20,275.07	4,607.96	24,883.03
Profit for the year	-	-	-	-	-	-	2,177.40	2,177.40	795.29	2,972.69
Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	(0.17)	(0.17)	(2.44)	(2.61)
Total comprehensive income for the year	-	-	-	-	-	-	2,177.23	2,177.23	792.85	2,970.08
Equity dividend paid for the year 2017 (Refer Note 24)	-	-	-	-	-	-	(397.13)	(397.13)	(140.70)	(537.83)
Dividend distribution tax on above (Refer Note 24)	-	-	-	-	-	-	(52.65)	(52.65)	-	(52.65)
Dividend distribution tax on equity dividend paid by subsidiary	-	-	-	-	-	-	(28.98)	(28.98)	(28.92)	(57.90)
Dividend distribution tax on equity dividend paid by joint venture	-	-	-	-	-	-	(0.19)	(0.19)	-	(0.19)
Balance as at 31st December 2018	130.71	12,471.16	5,814.49	9.93	5.02	-	3,542.04	21,973.35	5,231.19	27,204.54
Balance as at 31st December 2018	**130.71**	**12,471.16**	**5,814.49**	**9.93**	**5.02**	**-**	**3,542.04**	**21,973.35**	**5,231.19**	**27,204.54**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,095.00**	**2,095.00**	**688.16**	**2,783.16**
Other comprehensive income (net of tax expenses)	**-**	**-**	**-**	**-**	**-**	**-**	**(29.09)**	**(29.09)**	**(24.59)**	**(53.68)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,065.91**	**2,065.91**	**663.57**	**2,729.48**
Share based payment (Refer Note 66)	**-**	**-**	**-**	**-**	**-**	**0.85**	**-**	**0.85**	**0.31**	**1.16**
Equity dividend paid for the year 2018 (Refer Note 24)	**-**	**-**	**-**	**-**	**-**	**-**	**(297.85)**	**(297.85)**	**(131.32)**	**(429.17)**
Dividend distribution tax on above (Refer Note 24)	**-**	**-**	**-**	**-**	**-**	**-**	**(34.18)**	**(34.18)**	**-**	**(34.18)**
Dividend distribution tax on equity dividend paid by subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**(27.05)**	**(27.05)**	**(26.99)**	**(54.04)**
Dividend distribution tax on equity dividend paid by joint venture	**-**	**-**	**-**	**-**	**-**	**-**	**(0.17)**	**(0.17)**	**-**	**(0.17)**
Balance as at 31st December 2019	**130.71**	**12,471.16**	**5,814.49**	**9.93**	**5.02**	**0.85**	**5,248.70**	**23,680.86**	**5,736.76**	**29,417.62**

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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Chairman & Principal Founder
DIN - 00276351

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Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

Consolidated Cash Flow Statement for the year ended 31st December, 2019

Consolidated

Particulars	Notes	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
A) Cash flows from operating activities			
Profit before tax		**3,875.31**	2,918.54
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	44	**1,152.52**	1,153.94
(Gain) / Loss on property, plant and equipment sold, discarded and written off (net)		**(16.92)**	23.78
Gain on sale of current financial assets measured at FVTPL	39	**(49.48)**	(80.09)
Net gain on fair valuation of liquid mutual fund measured at FVTPL	39	**(3.17)**	(1.42)
Finance costs	43	**169.87**	170.50
Interest income	39	**(500.43)**	(254.03)
Provision for slow and non moving spares		**10.04**	4.37
Impairment losses on financial assets (net)		**27.59**	5.39
Discounting income on interest free loan		**-**	(8.81)
Unrealised exchange (gain) / loss (net)		**0.33**	(0.50)
Fair value movement in derivative instruments		**0.13**	1.28
Interest on income tax written back (Refer Note 31)		**(27.49)**	(35.87)
Provisions no longer required written back	37	**(13.33)**	(32.27)
Provision for employee stock option expenses		**1.16**	-
Inventories written off		**11.50**	2.41
Bad debts, sundry debit balances and claims written off / written back (net)		**0.08**	0.04
Provisions / (Reversal) for doubtful advances (net)		**0.05**	2.17
Unrealised share of profit in associates and joint ventures		**(19.97)**	(12.53)
Amortisation of operating lease rental		**(0.37)**	2.78
Operating profit before working capital changes		**4,617.42**	3,859.68
Changes in Working Capital			
Adjustments for Decrease / (Increase) in operating assets			
Decrease / (Increase) in Trade receivables, loans & advances and other assets	11-13,15, 17-20	**(251.94)**	(569.56)
Decrease / (Increase) in Inventories	14	**839.85**	(506.42)
Adjustments for Increase / (Decrease) in operating liabilities			
Increase / (Decrease) in Trade payables, other liabilities and provisions	26-28, 32-36	**63.24**	49.90
		651.15	(1,026.08)
Cash generated from operations		**5,268.57**	2,833.60
Direct taxes paid (net of refunds) (Refer Note 1 in cash flow and Note 31)		**(529.87)**	(1,130.19)
Net cash flow from operating activities (A)		**4,738.70**	1,703.41
B) Cash flows from investing activities			
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)		**(1,667.43)**	(1,107.99)
Proceeds from sale of property, plant and equipment		**60.39**	16.17
Inter corporate deposits and loans given to joint ventures		**-**	(0.11)
Proceeds from buyback of shares of joint venture		**-**	1.50
Payment received against loans given to joint venture		**0.12**	-
Gain on sale of current financial assets measured at FVTPL		**49.48**	80.09
Investments in bank deposits (having original maturity of more than 3 months and upto 12 months)		**(6,784.73)**	(235.93)
Redemption of bank deposits (having original maturity of more than 3 months and upto 12 months)		**6,780.96**	249.65
Investments in bank deposits (having original maturity of more than 12 months)		**(33.18)**	(5.19)
Redemption in bank deposits (having original maturity of more than 12 months)		**5.87**	-
Investment in certificate of deposits		**(600.00)**	-
Redemption of certificate of deposits		**600.00**	-
Dividend received from joint venture		**1.66**	-
Dividend received from associates		**1.69**	1.09
Interest received		**392.29**	234.50
Net cash used in investing activities (B)		**(1,192.88)**	(766.22)

Consolidated Cash Flow Statement for the year ended 31st December, 2019

Consolidated

Particulars	Notes	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
C) Cash flows from financing activities			
Proceeds from non-current borrowings		-	21.55
Interest paid		(113.04)	(92.18)
Net movement in earmarked balances with banks		1.06	1.16
Dividend paid on equity shares		(297.85)	(398.29)
Dividend paid to Non-controlling Interest		(131.32)	(140.70)
Dividend distribution tax paid		(88.22)	(110.55)
Net cash used in financing activities (C)		(629.37)	(719.01)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		2,916.45	218.18
Cash and cash equivalents			
Cash and cash equivalents at the end of the year (Refer Note 16)		9,011.88	6,093.11
Cash and cash equivalents related to entity held for sale		0.85	-
Adjustment for fair value gain on liquid mutual funds measured through profit and loss		(3.17)	(1.42)
		9,009.56	6,091.69
Cash and cash equivalents at the beginning of the year (Refer Note 16)		6,093.11	5,873.51
Net increase / (decrease) in cash and cash equivalents		2,916.45	218.18

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".
3. Changes in liabilities arising from financing activities:

Particulars	As at 31st December 2018 ₹ in crore	Cash flow changes		Non-cash flow changes		As at 31st December 2019 ₹ in crore
		Receipts ₹ in crore	Payments ₹ in crore	Unwinding charges ₹ in crore	Other changes ₹ in crore	
Non-current borrowings (Refer Note 26)	39.68	-	-	1.38	(5.78)	35.28
Current maturities of non-current borrowings (Refer Note 34)	-	-	-	-	5.78	5.78
Total	39.68	-	-	1.38	-	41.06

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Sonal Shrivastava
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020

1. Corporate Information

Ambuja Cements Limited (the Company, parent) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO MTF Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The Company's principal activity is to manufacture and market cement and cement related products.

2. Basis of preparation and consolidation

A. Basis of preparation

These consolidated financial statements of the Company, entities controlled by the Company and its subsidiaries (together the group) have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on 20th February 2020.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

I. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

II. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

III. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

IV. Investments in associates and joint ventures which are accounted for using the equity method.

The accounting policies are applied consistently to all the periods presented in the financial statements. Consolidated financial statements are presented in which is the functional currency of the group and all values are rounded to the nearest crore as per the requirement of Schedule III of the Companies Act, 2013, except where otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the financial statements. Consolidated financial statements are presented in which is the functional currency of the group and all values are rounded to the nearest crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

B. Basis of Consolidation

I. The consolidated financial statements comprise those of Ambuja Cements Limited, entities controlled by the Company and its subsidiaries. The list of principal companies is presented in note 10.

II. A Company is considered a subsidiary when controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

III. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee,

b. Rights arising from other contractual arrangements,

c. The Group's voting rights and potential voting rights,

d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders,

e. Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time when decisions need to be made, including voting patterns at previous shareholders' meetings.

IV. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

V. In cases where the financial year of subsidiaries is different from that of the Company, the financial statements of the subsidiaries have been drawn up so as to be aligned with the financial year of the Company.

VI. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that of the Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

VII. Consolidation procedure

a. The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the Ind AS 110 "Consolidated Financial Statements", on a line-by-line basis by adding together the book value of like items of assets, liabilities, income, expenses and cash flow.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how any related goodwill is accounted.

c. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

VIII. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

IX. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

X. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a. Derecognises the assets (including goodwill) and liabilities of the subsidiary,

b. Derecognises the carrying amount of any non-controlling interest,

c. Derecognises the cumulative translation differences recorded in equity,

d. Recognises the fair value of the consideration received,

e. Recognises the fair value of any investment retained, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture,

f. Recognises any surplus or deficit in the consolidated statement of profit and loss,

g. Reclassifies the parent's share of components previously recognised in other comprehensive income (OCI) to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st January 2016 measured as per the previous GAAP. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the consolidated statement of profit and loss.

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss in "other income / (expenses)" when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using "Written down value method" for assets related to Captive Power Plant and using "Straight line method" for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold land	Amortised over the period of lease
Buildings, roads and water works	3 – 60 years
Plant and equipment	8-30 years
Assets related to Captive Power Plant	40 years
Railway sidings and locomotives	8-15 years
Furniture, office equipment and tools	3-10 years
Vehicles	6- 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II to the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The Group identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

VI. Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

VII. In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

VIII. Property, plant and equipment, constructed by the Group, but ownership of which vests with the Government / Local authorities:

a. Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003 as applicable.

b. Expenditure on Marine structures is depreciated over the period of the agreement.

C. Intangible assets

I. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at transition date (1st January 2016) measured as per the previous GAAP. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

II. The useful lives of intangible assets are assessed as either finite or indefinite.

III. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed during each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

IV. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Other than goodwill there are no other intangible assets with indefinite useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

D. Amortisation of intangible assets

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (Up to 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Group estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

II. Work-in-progress, finished goods and stock in trade:

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

I. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

II. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

III. Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and fair value of any previously held interest in acquiree, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition

Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (also see note "G" in accounting policy) less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. The recoverable amount is the higher of the assets fair value less cost of disposal and value in use. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I. Investment in associates and joint ventures

I. **Associates**

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost less impairment, if any.

II. **Joint ventures**

Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the investee in the consolidated statement of profit and loss. An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the impairment of non-financial assets policy described above.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value and that fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit and loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income are reclassified to the consolidated statement of profit and loss where appropriate.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

J. Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

When a Group entity transacts with a joint operation in which a Group entity is a Joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

K. Fair value measurement

The Group measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

L. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to

the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the consolidated statement of profit and loss.

I. **Financial assets**

a. The Group's financial assets comprise:

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees, incentive receivable from Government and non-current deposits.

b. Initial recognition and measurement of financial assets

The Group recognises a financial asset in its consolidated balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as financial investments – bonds and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Debt instrument at fair value through other comprehensive income (FVTOCI)

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, liquid mutual funds, derivatives and equity instruments at fair value through the statement of profit and loss (FVTPL)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement are recognised in the consolidated statement of profit and loss.

This category comprises investments in liquid mutual funds and derivatives.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

The Group has designated its investments in equity instruments as FVTPL category.

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investments in any equity instruments as FVTOCI.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in the consolidated statement of profit and loss on disposal of that financial asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in the consolidated statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

e. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the consolidated statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

II. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

b. Financial liabilities

i. The Group's financial liabilities comprise:

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

ii. Initial recognition and measurement

The Group recognises a financial liability in its consolidated balance sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate..

iii. Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts

estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. Subsequent measurement of financial liabilities at fair value through profit or loss (FVTPL)

The Group uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

v. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

III Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

M. Provisions and contingencies

I. Provisions

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amounts recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Group provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

N. Foreign exchange gains and losses

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous consolidated financial statements, are recognised as income or expense in the year in which they arise.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

O. Revenue recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

I. Sale of goods

Revenue from the sale of the Group's core product Cement and Ready Mix Concrete is recongnised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Contract balances

Trade Receivables

A trade receivables is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a group's right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract Liabilities

Contract liabilities which is a group's obligation to transfer goods or services to a customer which the entity has already received consideration, relate mainly to advance payment from customers which are disclosed in Note no. 35. Contract liabilities are recognised as revenue when the company performs under the contract.

II. Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the services is performed and there are no unfulfilled obligations.

III. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Dividends

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

P. Retirement and other employee benefits

I. Defined contribution plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the consolidated statement of profit and loss for the year in which the employee renders the related service.

II. Defined benefit plan

The Group's gratuity fund scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Group, is charged to consolidated statement of profit and loss for the year in which the employee renders the related service. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the consolidated statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the consolidated statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

III. Short term employee benefits

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the consolidated statement of profit and loss of the year in which the related service is rendered.

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. Other long-term employee benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the consolidated balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Long service awards and accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

a. when the Group can no longer withdraw the offer of those benefits; and

b. When the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

VI. Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary. Obligations under other long-term benefits are classified as short-term provision, if the Group does not have an unconditional right to defer the settlement of the obligation beyond 12 months from the reporting date. The Group presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

Q. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the consolidated statement of profit and loss..

R. Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

S. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the consolidated statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the consolidated statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

III. Minimum alternate tax (MAT)

Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the consolidated balance sheet when it is highly probable that future economic benefit associated with it will flow to the Group. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

T. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. Group as a lessee

a. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b. Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability (if any) to the lessor is included in the consolidated balance sheet as a finance lease obligation.

II. Group as a lessor

a. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the consolidated statement of profit and loss. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the consolidated statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Group in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

U. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The board of directors of the Company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

V. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Group's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

W. Government grants and subsidies

I. Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

X. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares..

Y. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements". Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Z. Significant estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the consolidated notes to the financial statements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below :

I. Classification of legal matters and tax litigations

The litigations and claims to which the Group is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

II. Defined benefit obligations

The cost of defined benefit gratuity plans, post-retirement medical benefit and death and disability benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

III. Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of profit and loss. The useful lives of the Group's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

AA. New Accounting Pronouncements – Adoption of Ind AS 115 "Revenue from Contracts with the Customers" (Changes in Accounting Policy)

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 replaces AS 18 "Revenue".

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Effective 1st January 2019, the Group has adopted Ind AS 115 "Revenue from Contracts with the Customers" using the full retrospective approach.

The effect of adopting Ind AS 115 as at 31st December 2018 is as follows;

'Advances received from customers', as at 31st December 2018 has been classified as 'Contract Liabilities'.

Further, the adoption of Ind AS 115 did not have any significant impact on overall financial statement of the Group.

Note 4 - Property, plant and equipment

(Refer Note 3 (A) and 3 (B) for accounting policy on property, plant and equipment)

₹ in crore

Particulars	Gross Carrying Value					Accumulated Depreciation					Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2018	Additions	Held for Sale	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year (Refer Note (f) below)	Held for Sale	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Freehold non-mining land	512.08	4.71	4.19	-	512.60	0.04	0.02	-	-	0.06	512.54	512.04
Freehold mining land	1,081.97	47.17	16.73	-	1,112.41	31.58	23.16	-	-	54.74	1,057.67	1,050.39
Leasehold land	97.62	175.20	-	-	272.82	3.28	2.78	-	-	6.06	266.76	94.34
Buildings, roads and water works (Refer Note (a) below)	3,153.81	135.84	0.53	8.50	3,280.62	469.26	161.42	0.05	7.78	622.85	2,657.77	2,684.55
Plant and equipment (owned) (Refer Note (b) below)	10,515.76	755.93	-	64.32	11,207.37	2,773.78	869.86	-	32.32	3,611.32	7,596.05	7,741.98
Furniture and fixtures	50.91	5.36	-	1.65	54.62	23.20	5.92	-	1.46	27.66	26.96	27.71
Vehicles	167.68	44.32	-	4.39	207.61	56.25	27.34	-	2.68	80.91	126.70	111.43
Office equipment	122.85	18.70	-	3.70	137.85	77.09	21.18	-	3.35	94.92	42.93	45.76
Marine structures (Refer Note (c) below)	24.37	-	-	-	24.37	11.25	3.06	-	-	14.31	10.06	13.12
Railway sidings and locomotives (Refer Note (d) below)	302.04	5.91	-	-	307.95	70.77	24.89	-	-	95.66	212.29	231.27
Ships	126.80	-	-	0.26	126.54	22.91	7.42	-	0.05	30.28	96.26	103.89
Total	16,155.89	1,193.14	21.45	82.82	17,244.76	3,539.41	1,147.05	0.05	47.64	4,638.77	12,605.99	12,616.48

Particulars	Gross Carrying Value					Accumulated Depreciation					Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2017	Additions	Held for Sale	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year (Refer Note (f) below)	Held for Sale	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Freehold non-mining land	505.95	6.15	-	0.02	512.08	0.02	0.02	-	-	0.04	512.04	505.93
Freehold mining land	890.93	191.04	-	-	1,081.97	17.71	13.88	-	0.01	31.58	1,050.39	873.22
Leasehold land	90.75	6.87	-	-	97.62	2.14	1.15	-	0.01	3.28	94.34	88.61
Buildings, roads and water works (Refer Note (a) below)	3,082.26	75.85	-	4.30	3,153.81	312.87	157.98	-	1.59	469.26	2,684.55	2,769.39
Plant and equipment (owned) (Refer Note (b) below)	10,056.72	513.97	-	54.93	10,515.76	1,912.95	884.83	-	24.00	2,773.78	7,741.98	8,143.77
Furniture and fixtures	47.39	4.51	-	0.99	50.91	16.47	7.10	-	0.37	23.20	27.71	30.92
Vehicles	143.17	31.71	-	7.20	167.68	37.47	22.88	-	4.10	56.25	111.43	105.70
Office equipment	110.23	14.98	-	2.36	122.85	55.01	24.31	-	2.23	77.09	45.76	55.22
Marine structures (Refer Note (c) below)	24.39	-	-	0.02	24.37	7.65	3.60	-	-	11.25	13.12	16.74
Railway sidings and locomotives (Refer Note (d) below)	293.51	8.53	-	-	302.04	46.26	24.51	-	-	70.77	231.27	247.25
Ships	126.64	0.20	-	0.04	126.80	15.26	7.66	-	0.01	22.91	103.89	111.38
Total	15,371.94	853.81	-	69.86	16,155.89	2,423.81	1,147.92	-	32.32	3,539.41	12,616.48	12,948.13

Includes :

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.50 crore (31st December 2018 - ₹ 84.74 crore) and ₹ 6.31 crore (31st December 2018 - ₹ 4.85 crore) being accumulated depreciation thereon.
ii) ₹ 19.92 crore (31st December 2018 - ₹ 19.92 crore) being cost of roads constructed by the Group, the ownership of which vests with the government / local authorities and ₹ 15.11 crore (31st December 2018 - ₹ 12.98 crore) being accumulated depreciation thereon.

b) ₹ 73.54 crore (31st December 2018 - ₹ 69.81 crore) being cost of power lines incurred by the Group, the ownership of which vests with the state electricity boards and ₹ 8.88 crore (31st December 2018 - ₹ 6.65 crore) being accumulated depreciation thereon.

c) Cost incurred by the Group, the ownership of which vests with the state maritime boards.

d) ₹ 11.75 crore (31st December 2018 - ₹ 11.75 crore) being cost of railway sidings incurred by the Group, the ownership of which vests with the railway authorities and ₹ 4.96 crore (31st December 2018 - ₹ 4.02 crore) being accumulated depreciation thereon.

e) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 23.42 crore (31st December 2018 - ₹ 38.28 crore) on properties of the Group are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

f) ₹ 1.25 crore (31st December 2018 - ₹ 0.27 crore) capitalised during construction for projects (Refer Note 7).

g) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Group except for 1 case of leasehold land amounting to net block of ₹ 2.10 crore (31st December 2018 - ₹ 2.16 crore), 14 cases of freehold land amounting to net block of ₹ 2.67 crore (31st December 2018 - ₹ 3.87 crore) and 2 cases of Buildings amounting to net block of ₹ 5.76 crores (31st December 2018 - ₹ 6.46 crores) respectively as at 31st December 2019 for which title deeds are in the name of the erstwhile Companies that merged with the Group.

h) Capital work in progress as at 31st December 2019 is ₹ 1,554.43 crores (31st December 2018 - ₹ 1,008.17 crore). Refer the Note 7 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) in the course of its construction.

i) For contractual commitment with respect to property, plant and equipment Refer Note 50.

Note 5 - Goodwill

(Refer Note 3 (H) for accounting policy on goodwill)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 31st December 2018	Additions	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year	Deductions/ Transfers	As at 31st December, 2019	As at 31st December 2019	As at 31st December 2018
Goodwill (Refer Note (a) & (b) below)	**8,117.12**	**-**	**-**	**8,117.12**	**235.63**	**-**	**-**	**235.63**	**7,881.49**	**7,881.49**
Total	**8,117.12**	**-**	**-**	**8,117.12**	**235.63**	**-**	**-**	**235.63**	**7,881.49**	**7,881.49**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 31st December 2017	Additions	Deductions / Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Goodwill (Refer Note (a) & (b) below)	8,117.12	-	-	8,117.12	235.63	-	-	235.63	7,881.49	7,881.49
Total	8,117.12	-	-	8,117.12	235.63	-	-	235.63	7,881.49	7,881.49

Notes:

a) Pertains to goodwill on consolidation ₹ 7881.49 crore (31st December 2018 - ₹ 7881.49 crore). (Refer Note 61).

b) The Group has adopted Ind AS w.e.f. 1st January 2017. In previous GAAP, the Group was amortising goodwill. Accumulated amortisation is related to previous GAAP.

Note 6 - Other intangible assets

(Refer Note 3 (C) and 3 (D) for accounting policy on intangible assets)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 31st December 2018	Additions	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Mining Rights	149.70	81.81	-	231.51	13.27	5.78	-	19.05	212.46	136.43
Water drawing rights	0.33	-	-	0.33	0.09	0.02	-	0.11	0.22	0.24
Computer software	3.48	0.80	-	4.28	2.18	0.92	-	3.10	1.18	1.30
Total	153.51	82.61	-	236.12	15.54	6.72	-	22.26	213.86	137.97

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 31st December 2017	Additions	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Mining rights (Refer Note (a) below)	74.41	75.29	-	149.70	7.98	5.29	-	13.27	136.43	66.43
Water drawing rights	0.33	-	-	0.33	0.04	0.05	-	0.09	0.24	0.29
Computer software	3.12	0.36	-	3.48	1.24	0.94	-	2.18	1.30	1.88
Total	77.86	75.65	-	153.51	9.26	6.28	-	15.54	137.97	68.60

Note :

a) During the previous year, the Group had commenced commercial production by way of open cast mining at its coal block situated at Raigarh district in the state of Chhattisgarh, acquired under e-auction.

Note 7 - Capitalisation of expenditure

The Group has capitalised following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Balance at the beginning of the year included in capital work-in-progress	33.15	20.56
Add : Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	25.73	12.98
Depreciation and amortisation expense (Refer Note 4 (f))	1.25	0.27
Other expenses (Refer Note (b) below)	35.16	24.35
	95.29	58.16
Less : Capitalised during the year	1.00	25.01
Balance at the end of the year included in capital work-in-progress	94.29	33.15

Notes:

a) Costs of employee benefits (as defined in Ind AS 19 "Employee Benefits") of project associated departments are arising directly from the construction or acquisition of the item of property, plant and equipment.

b) Other expense are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Note 8 - Investments accounted for using equity method

(Refer Note 3 (I) for accounting policy on investment in associates and joint ventures)

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares	₹ in crore	No of shares	₹ in crore
A. Investments in associates					
Unquoted					
In fully paid equity shares					
Alcon Cement Company Private Limited	10	408,001	18.66	408,001	18.11
Asian Concretes and Cements Private Limited	10	8,100,000	84.32	8,100,000	72.33
Total (A)			102.98		90.44
B. Investments in joint ventures					
Unquoted					
In fully paid equity shares					
Aakaash Manufacturing Company Private Limited	10	4,401	11.93	4,401	13.54
Counto Microfine Products Private Limited	10	8,319,722	30.96	8,319,722	25.55
Total (B)			42.89		39.09
Total (A + B)			145.87		129.53

Note 9 - Non-current investments

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares /bonds	₹ in crore	No of shares /bonds	₹ in crore
A. Investments carried at amortised cost					
Unquoted					
Government and trust securities					
National Savings Certificate ₹ 36,500 (31st December 2018 - ₹ 36,500), deposited with government department as security. (Refer Note (c) below)		-	-	-	-
Public sector bonds					
5.13% taxable redeemable bonds Himachal Pradesh Infrastructure Development Bonds	1,000,000	37	3.70	37	3.70
Total (A)			3.70		3.70

Note 9 - Non-current investments

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares /bonds	₹ in crore	No of shares/ bonds	₹ in crore
B. Investments carried at fair value through profit and loss					
Unquoted					
In fully paid equity shares (Refer Note (c) below)					
Kanoria Sugar & General Mfg. Company Limited	10	**4**	**-**	4	-
Gujarat Composites Limited	10	**60**	**-**	60	-
Rohtas Industries Limited	10	**220**	**-**	220	-
The Jaipur Udyog Limited	10	**120**	**-**	120	-
Digvijay Finlease Limited	10	**90**	**-**	90	-
The Travancore Cement Company Limited	10	**100**	**-**	100	-
Ashoka Cement Limited	10	**50**	**-**	50	-
The Sone Valley Portland Cement Company Limited	5	**100**	**-**	100	-
Gujarat Goldcoin Ceramics Limited	10	**1,000,000**	**-**	1,000,000	-
Total (B)			**-**		-
Total (A + B)			**3.70**		3.70
Total (8+9)			**149.57**		133.23
Notes:					
a) Aggregate value of unquoted investments.			**149.57**		133.23

b) Refer Note 54 for information about fair value measurement and Note 55 for credit risk and market risk of investments

c) Denotes amount less than ₹ 50,000.

Note 10 - Group information

The consolidated financial statements comprise the financial statements of the members of the Group as under:

Sr	Name of the Company	Principal activities	Country of Incorporation	Proportion of ownership interest (effective holding)	
				As at 31.12.2019	As at 31.12.2018
1	**Direct Subsidiaries**				
	M.G.T Cements Private Limited	Cement and cement related products	India	**100.00%**	100.00%
	Chemical Limes Mundwa Private Limited	Cement and cement related products	India	**100.00%**	100.00%
	Dang Cement Industries Private Limited	Cement and cement related products	Nepal	**91.63%**	91.63%
	Dirk India Private Limited	Cement and cement related products	India	**100.00%**	100.00%
	ACC Limited	Cement and cement related products	India	**50.05%**	50.05%
	OneIndia BSC Private Limited	Shared Services	India	**75.03%**	75.03%
2	**Indirect Subsidiaries**				
	Bulk Cement Corporation (India) Limited (BCCI)	Cement and cement related products	India	**47.37%**	47.37%
	ACC Mineral Resources Limited	Cement and cement related products	India	**50.05%**	50.05%
	Lucky Minmat Limited	Cement and cement related products	India	**50.05%**	50.05%
	National Limestone Company Private Limited	Cement and cement related products	India	**50.05%**	50.05%
	Singhania Minerals Private Limited	Cement and cement related products	India	**50.05%**	50.05%
3	**Associates of Subsidiary**				
	Alcon Cement Company Private Limited	Cement and cement related products	India	**20.02%**	20.02%
	Asian Concretes and Cements Private Limited	Cement and cement related products	India	**22.52%**	22.52%
4	**Joint Venture**				
	Counto Microfine Products Private Limited	Cement and cement related products	India	**50.00%**	50.00%

Note 10 - Group information

Sr	Name of the Company	Principal activities	Country of Incorporation	Proportion of ownership interest (effective holding)	
				As at 31.12.2019	As at 31.12.2018
5	**Joint Venture of Subsidiary**				
	Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	**20.02%**	20.02%
6	**Joint Operation**				
	Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	**27.27%**	27.27%
7	**Joint Operations of Subsidiary**				
	MP AMRL(Semaria) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%
	MP AMRL(Bicharpur) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%
	MP AMRL(Marki Barka) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%
	MP AMRL(Morga) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%

Note:

The financial statements of the above companies are drawn upto the same reporting date as that of the Group.

Note 11 - Non-current loans

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Security deposit	**194.06**	214.77
Loans to employees	**10.67**	12.53
Loans and advances	**3.90**	4.02
	208.63	231.32
Unsecured loans which have significant increase in credit risk		
Loans and advances	**27.97**	23.48
Less : allowances for doubtful loans / deposits	**27.97**	23.48
	-	-
Total	**208.63**	231.32

Notes:

a) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

b) No loans are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

c) Refer Note 55 (B) for information about credit risk of loans.

Note 12 - Other non-current financial assets

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Incentives receivable under Government schemes (Refer Note 65)	**775.64**	487.74
Bank deposits with more than 12 months maturity (Refer Note (a) below)	**54.60**	43.74
Margin money deposit with more than 12 months maturity (Refer Note (b) below)	**7.62**	4.15
Others (includes interest accrued on fixed deposits)	**3.82**	7.34
Total	**841.68**	542.97

Notes:

a) These include fixed deposits of ₹ 24.15 crore (31st December 2018 - ₹ 34.15 crore) given as security against bank guarantees and other deposits ₹ 30.19 crore (31st December 2018 - ₹ 9.33 crore) given as security to regulatory authorities.

b) Margin money deposit is against bank guarantees given to government authorities.

c) Refer Note 55 (B) for information about credit risk of other financial assets.

Note 13 - Other non-current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Capital advances	**442.23**	570.41
Advances other than capital advances		
Deposit against government dues / liabilities	**457.64**	438.12
Prepayments under leases	**34.24**	35.55
Advances recoverable other than in cash	**43.11**	45.80
Other claims receivable from Governments	**384.31**	401.00
	1,361.53	1,490.88
Unsecured, considered doubtful		
Capital advances	**6.59**	6.64
Advances recoverable other than in cash	**6.74**	6.79
Incentives receivable under government incentive schemes and other receivables	**36.05**	36.16
Deposit against government dues / liabilities	**3.33**	3.33
	52.71	52.92
Less : allowances for doubtful receivables	**52.71**	52.92
	-	-
Total	**1,361.53**	1,490.88

Notes:

a) No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 55 (B) for information about credit risk of other receivables.

Note 14 - Inventories

At lower of cost and net realisable value
(Refer Note 3 (F) for accounting policy on inventories)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Raw materials (including in transit - ₹ 9.51 crore; 31st December 2018 - ₹ 11.56 crore)	**172.87**	258.74
Work-in-progress	**452.05**	561.25
Finished goods	**335.72**	402.46
Captive coal	**31.21**	7.27
Stock in trade (in respect of goods acquired for trading) - ₹ 0.49 crore; 31st December 2018 - ₹ Nil	**9.36**	1.00
Stores & spares (including in transit - ₹ 21.06 crore; 31st December 2018 - ₹ 30.89 crore)	**536.86**	663.73
Coal and fuel (including in transit - ₹ 35.77 crore; 31st December 2018 - ₹ 119.44 crore)	**521.46**	1,030.78
Packing materials (including in transit - ₹ Nil; 31st December 2018 - ₹ 0.15 crore)	**36.97**	32.66
Total	**2,096.50**	2,957.89

Notes:

a) The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is amounting to ₹ 10.04 crore. In the previous year reversal of write-down of inventories of ₹ 4.37 crore, was consequent to consumption of inventories which were earlier written down.

b) No inventories have been pledged as security for liabilities.

Note 15 - Trade receivables

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Secured, considered good	**220.72**	265.47
Unsecured, considered good	**848.25**	1,039.07
Unsecured which have significant increase in credit risk	**51.03**	28.83
	1,120.00	1,333.37
Less : Allowance for doubtful trade receivables	**51.44**	28.83
Total	**1,068.56**	1,304.54

Notes:

a) No trade receivables are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 53 for receivables from related parties.

c) Refer Note 55 (B) for information about credit risk of trade receivables.

Note 16 - Cash and cash equivalents

(Refer Note 3 (V) for accounting policy on cash and cash equivalents)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Balances with banks		
In current accounts	**60.80**	465.62
Deposit with original maturity upto 3 months	**5,760.08**	3,474.29
Cheques on hand (Refer Note (a) below)	**36.71**	163.51
Cash on hand	**0.05**	0.08
Deposit with other than banks with original maturity of upto 3 months	**500.00**	200.00
Post office saving accounts	**0.01**	0.01
Investments in liquid mutual funds measured at FVTPL	**1,411.25**	953.50
Investments in Certificates of deposit with original maturity of less than 3 months	**1,242.98**	836.10
Total	**9,011.88**	6,093.11

Note:

a) Cheques on hand are cleared subsequent to the year end.

Note 17 - Bank balances other than cash and cash equivalents

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Earmarked balances with banks (Refer Note (a) below)	**54.64**	59.14
Margin money deposit (Refer Note (b) below)	**2.44**	13.93
Fixed deposit with banks (original maturity more than 3 months and upto 12 months) (Refer Note (c) below)	**285.59**	273.10
Total	**342.67**	346.17

Notes:

a) These balances represent unpaid dividend liabilities of the Group and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (ACRL), are available for use only towards settlement of corresponding unpaid liabilities.

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

c) These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 244.84 crore including interest (31st December 2018 - ₹ 231.15 crore), (Refer Note 48(b)(i)) and other deposits amounting ₹ 40.47 crore (31st December 2018 - ₹ 38.74 crore) given as security against bank guarantees and other deposits given as security to regulatory authorities and others.

Note 18 - Current loans

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Security deposits	**23.48**	72.06
Others (includes loans to employees)	**8.80**	8.55
Total	**32.28**	80.61

Notes:

a) No loans are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 55 (B) for information about credit risk of loans.

Note 19 - Other current financial assets

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Incentives receivable under government incentive schemes (Refer Note 65)	**407.95**	366.88
Interest accrued on fixed deposit, certificate of deposits and others	**18.94**	21.39
Interest accrued on investment	**10.16**	16.80
Deposits with banks with original maturity of more than 12 months (Refer Note (a) below)	**18.00**	5.00
Other receivables	**41.57**	60.30
	496.62	470.37
Unsecured which have significant increase in credit risk		
Other receivables	**5.70**	-
Less: Allowance for doubtful other receivable	**5.70**	-
	-	-
Total	**496.62**	470.37

Notes:

a) Fixed deposits of ₹ 10.00 crore (31st December 2018 - ₹ 5.00 crore) given as security against bank guarantees and other deposit ₹ 8.00 crore (31st December 2018 - ₹ Nil) given as security to regulatory authorities.

b) Refer Note 55 (B) for information about credit risk of other financials assets.

Note 20 - Other current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	**595.05**	510.66
Balances with statutory / government authorities	**536.29**	544.72
Prepaid expenses	**54.84**	38.50
Prepayments under leases	**1.31**	2.01
Others	**47.76**	46.72
	1,235.25	1,142.61
Unsecured, which have significant increase in credit risk		
Other receivables	**17.88**	17.72
Less : Allowance for doubtful receivables	**17.88**	17.72
	-	-
Total	**1,235.25**	1,142.61

Notes:

a) No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 55 (B) for information about credit risk of other receivables.

Note 21 - Non-current assets classified as held for sale

(Refer Note 3 (Q) for accounting policy on Non-current assets held for sale)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Subsidiary assets held for sale (Refer Note (a) below)	**24.78**	-
Plant and equipment (Refer Note (b) below)	**5.36**	6.44
Building (Refer Note (c) below)	**5.11**	5.11
Total	**35.25**	11.55

Notes:

a) The Group has entered into share purchase agreement for sale of its entire investment in Dang Cement Industries Private Limited, subject to fulfillment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment such conditions, all of it's assets have been classified held for sale.

b) The Group intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.

c) The Group intends to dispose off building (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ Nil (previous year - ₹ 0.28 crore) is recognised in the consolidated statement of profit and loss under other expenses.

Note 22 - Equity share capital

(Refer Note 3 (L) (II) (a) for accounting policy on equity instruments)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Authorised		
40,000,000,000 (31st December 2018 - 40,000,000,000) Equity shares of ₹ 2 each	**8,000.00**	8,000.00
150,000,000 (31st December 2018 - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00
Total	**8,150.00**	8,150.00
Issued		
1,985,971,749 (31st December 2018 - 1,985,971,749) Equity shares of ₹ 2 each fully paid-up	**397.19**	397.19
Total	**397.19**	397.19
Subscribed and paid-up		
1,985,645,229 (31st December 2018 - 1,985,645,229) Equity shares of ₹ 2 each fully paid-up	**397.13**	397.13
Total	**397.13**	397.13

Notes:

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13
Changes during the year	**-**	**-**	-	-
At the end of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Holderind Investments Limited, Mauritius - holding company (a subsidiary of LafargeHolcim Limited, Switzerland, the ultimate holding company)		
1,253,156,361 (31st December 2018 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	% holding	No. of shares	% holding
Holderind Investments Limited, Mauritius	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholdings represent both legal and beneficial ownership of shares.

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December 2018 - 186,690) and 139,830 (31st December 2018 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

f) Aggregate no. of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August, 2016, 584,417,928 equity shares were allotted as fully paid up to the equity shareholders of HIPL, without payment being received in cash.

g) There are no other securities which are convertible into equity shares.

Note 23 - Capital management

a) The Group's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

b) The management of the Group reviews the capital structure of the Group on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

c) The Group generally meets its capital requirement through internal accruals. The borrowings as appearing in the Note 26 represents Interest Free Loan from State Government. The Group is not subject to any externally imposed capital requirements.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Total debt (including current maturities of borrowings) (Refer Notes 26 and 34)	**41.06**	39.68
Less : Cash and cash equivalents (Refer Note 16)	**9,011.88**	6,093.11
Net debt	**(8,970.82)**	(6,053.43)
Total equity	**29,814.75**	27,601.67
Net Debt to Equity	**Nil**	Nil

Note 24 - Dividend distribution made and proposed

Particulars		For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹in crore
A)	**Cash dividends on equity shares declared and paid**		
i)	Final dividend for the year ended 31st December 2018 ₹ 1.50 per share (31st December 2017 - ₹ 2.00 per share)	**297.85**	397.13
ii)	Dividend distribution tax on final dividend	**34.18**	52.65
	Total	**332.03**	449.78
b)	**Dividends on equity shares**		
i)	Final dividend for the year ended 31st December 2019 ₹ 1.50 per share (31st December 2018 - ₹ 1.50 per share) (Refer Note (a) below)	**297.85**	297.85
ii)	Dividend distribution tax on final dividend (Refer Notes (a) and (b) below)	**-**	34.18
	Total	**297.85**	332.03

Notes:

a) Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon).

b) In Union budget 2020, taxability of dividend has been changed from Corporates to recipient of dividend, therefore no disclosure is made for the dividend distribution tax in respect of dividend proposed for the current year.

Note 25 - Other equity

(Refer Statement of Changes in Equity for detailed movement in other equity balances)

Particulars		As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Reserve and surplus (nature and purpose of each reserve is given in notes below)			
a)	Capital reserve	**130.71**	130.71
b)	Securities premium account	**12,471.16**	12,471.16
c)	General reserve	**5,814.49**	5,814.49
d)	Capital redemption reserve	**9.93**	9.93
e)	Subsidies	**5.02**	5.02
f)	Capital contribution from parent	**0.85**	-
g)	Retained earnings	**5,248.70**	3,542.04
	Total	**23,680.86**	21,973.35

Nature and purpose of each reserve :

a) **Capital reserve**

This reserve has been transferred to the Group in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

b) **Securities premium**

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

c) **General reserve**

The Group created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Group.

d) **Capital redemption reserve**

Capital redemption reserve was created by transferring from retained earnings. In the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

e) **Subsidies**

These are capital subsidies received from the Government and other authorities.

Note 25 - Other equity

f) **Capital contribution from parent**

Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by parent company "LafargeHolcim Ltd" to the employees of the Group. The share based payment reserve is used to recognise the value of equity settled Share based payments provided to executives and senior management.

g) **Retained earnings**

Retained earnings are the profits that Group has earned till date, less transfers to General Reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Group.

Note 26 - Non-current borrowings

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Secured		
Interest free loan from State Government (Refer Notes (a) and (b) below)	**35.28**	39.68
Total	**35.28**	39.68

Notes:

a) Interest free loan from State Government granted under State investment promotion scheme has been considered as a government grant and the difference between the fair value and nominal value as on date of receipt of ₹ Nil (previous year - ₹ 8.81 crore) was recognised as an income.

b) Interest free loans from State Government, secured by bank guarantees (partly backed by pledge of bank fixed deposits) and each loan repayable in single instalment, starting from February 2020 to November 2025 of varying amounts from ₹ 3.59 crore to ₹ 13.39 crore, out of which current maturity of ₹ 5.78 crore due in February 2020 is disclosed in note 34.

Note 27 - Other non-current financial liabilities

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Liability for capital expenditure	**0.62**	1.18
Total	**0.62**	1.18

Note 28 - Non-current provisions

(Refer Note 3 (M) (I) and 3 (P) for accounting policy on provisions and retirement and other employee benefits)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
For employee benefits		
Provision for gratuity and other staff benefit schemes (Refer Note 51)	**217.21**	123.22
Long service award and other benefit plans	**4.49**	3.85
Others		
Provision for mines reclamation expenses (Refer Note (a) below)	**67.12**	54.42
Total	**288.82**	181.49

Note 28 - Non-current provisions

(Refer Note 3 (M) (I) and 3 (P) for accounting policy on provisions and retirement and other employee benefits)

Note:

a) Mines reclamation expenses are incurred on an ongoing basis until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions during the year is as under :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Opening balance	**54.42**	51.47
Add : Provision / (reversal) during the year (net)	**11.68**	1.58
	66.10	53.05
Add: Unwinding of discount	**2.96**	3.10
Less : Utilisation during the year	**1.94**	1.73
Closing Balance	**67.12**	54.42

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (S) (II) for accounting policy on deferred tax)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Deferred tax liabilities, on account of		
Depreciation and amortisation	**1,360.95**	1,522.12
Undistributed profits of subsidiaries, joint venture and associates	**70.33**	66.94
	1,431.28	1,589.06
Deferred tax assets, on account of		
Provision for employee benefits	**113.73**	112.16
Provision for slow and non-moving spares	**18.61**	20.79
Expenditure debited in consolidated statement of profit and loss but allowed for tax purposes in the following years	**153.00**	159.68
MAT credit entitlement (Refer Note 31)	**-**	22.67
Others	**209.21**	158.48
	494.55	473.78
Deferred tax liabilities (net)	**936.73**	1,115.28

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

Particulars	As at 31st December 2018	Charge / (Credit) to consolidated statement of profit and loss	Charge / (Credit) to Other Comprehensive Income	MAT credit utilised	As at 31st December 2019
Deferred tax liabilities, on account of					
Depreciation and amortisation	1,522.12	**(161.17)**	**-**	**-**	**1,360.95**
Undistributed profits of subsidiaries, joint venture and associates	66.94	**3.39**	**-**	**-**	**70.33**
	1,589.06	**(157.78)**	**-**	**-**	**1,431.28**

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (S) (II) for accounting policy on deferred tax)

Particulars	As at 31st December 2018	Charge / (Credit) to consolidated statement of profit and loss	Charge / (Credit) to Other Comprehensive Income	MAT credit utilised	As at 31st December 2019
Deferred tax assets, on account of					
Provision for employee benefits	**112.16**	**(27.35)**	**28.92**	**-**	**113.73**
Provision for slow and non moving spares	**20.79**	**(2.18)**	**-**	**-**	**18.61**
Expenditure debited in consolidated statement of profit and loss but allowed for tax purposes in the following years	**159.68**	**(6.68)**	**-**	**-**	**153.00**
MAT credit entitlement (Refer Note (c) below)	**22.67**	**-**	**-**	**(22.67)**	**-**
Others	**158.48**	**50.73**	**-**	**-**	**209.21**
	473.78	**14.52**	**28.92**	**(22.67)**	**494.55**
Deferred tax liabilities / (assets) (net)	**1,115.28**	**(172.30)**	**(28.92)**	**22.67**	**936.73**
Deferred tax assets (net)	**3.86**	**0.25**	**-**	**0.05**	**4.16**

Particulars	As at 31st December 2017	Charge / (Credit) to consolidated statement of profit and loss	Charge / (Credit) to Other Comprehensive Income	MAT credit utilised	As at 31st December 2018
Deferred tax liabilities, on account of					
Depreciation and amortisation	1,528.74	(6.62)	-	-	1,522.12
Undistributed profits of subsidiaries, joint venture and associates	142.35	(75.41)	-	-	66.94
	1,671.09	(82.03)	-	-	1,589.06
Deferred tax assets, on account of					
Provision for employee benefits	84.87	25.43	1.86	-	112.16
Provision for slow and non moving spares	20.70	0.09	-	-	20.79
Expenditure debited in consolidated statement of profit and loss but allowed for tax purposes in the following years	177.98	(18.30)	-	-	159.68
MAT credit entitlement (Refer Note (c) below)	118.61	(2.88)	-	(93.06)	22.67
Others	126.81	31.67	-	-	158.48
	528.97	36.01	1.86	(93.06)	473.78
Deferred tax liabilities / (assets) (net)	1,142.12	(118.04)	(1.86)	93.06	1,115.28
Deferred tax assets (net)	3.70	0.16	-	-	3.86

Notes :

a) The Group has long term capital losses and business losses including unabsorbed depreciation of ₹ 39.13 crore (31st December 2018 - ₹ 39.79 crore) for which no deferred tax assets have been recognised. A part of these losses will expire between financial years 2019-20 to 2026-27.

b) Further, the Group has not recognised deferred tax liability on undistributed earnings in subsidiaries to the extent of ₹ 10,193.18 crore (31st December 2018 - ₹ 9,181.94 crore) considering its ability to control the timing of the reversal of temporary differences associated with such undistributed earnings and it is probable that such differences will not reverse in the foreseeable future.

c) MAT credit utilised is net of MAT credit entitlement of ₹ 34.72 crore increased on account of tax adjustments for earlier years as stated in Note 31.

Note 30 - Reconciliation of tax expenses and effective tax rate

Particulars	2019		2018	
	₹ in crore	In %	₹ in crore	In %
Profit before share of profit of associates and joint ventures and tax expenses	**3,855.34**		2,906.01	
Tax expenses at statutory income tax rate (Refer Note (a) below)	**1,220.92**	**31.67%**	1,012.45	34.84%
Effect of tax exempt income	**(0.59)**	**-0.02%**	(0.38)	-0.01%
Effect of non deductible expenses	**50.27**	**1.30%**	36.15	1.24%
Effect of allowances / tax holidays for tax purpose	**(64.77)**	**-1.68%**	(158.20)	-5.44%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	**(108.03)**	**-2.79%**	-	-
Effect of change in tax rate on Deferred Tax	**(5.40)**	**-0.14%**	-	-
Effect of undistributed profits of subsidiary and joint venture	**1.49**	**0.04%**	(77.07)	-2.65%
Others	**(1.74)**	**-0.05%**	5.54	0.19%
Tax Expenses at the Effective Income Tax Rate	**1,092.15**	**28.33%**	818.49	28.17%
Effect of tax adjustments for earlier years (Refer Note 31)	**-**	**-**	(872.64)	-30.03%
Tax expense	**1,092.15**	**28.33%**	(54.15)	-1.86%
Tax expense reported in consolidated statement of profit or loss	**1,092.15**	**28.33%**	(54.15)	-1.86%

Notes:

a) Group follows calender year as financial year, therefore applicable statutory income tax rate is weighted average rate. The tax rate used for above reconciliation is the Corporate tax rate payable by Corporate entities in India on taxable profits under Indian tax law.

b) The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax liability as on 1st January 2019, amounting to ₹ 103.28 crore has been reversed during year ended 31st December 2019. However, subsidiary of the Company, ACC Limited is currently in the process of evaluating this option.

Note 31 - Tax adjustments for earlier years

The Company and its subsidiary, ACC Limited, (ACC) were entitled to incentives from Government at their plants located in the states of Himachal Pradesh and Uttarakhand, in respect of Income tax assessment years 2006-07 to 2015-16. Both the companies contended that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income tax department had, initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). Both the Companies had received one favourable order each from the assessing officer and one appellate order from the CIT-A, against which the department filed an appeal in Income Tax Tribunal (ITAT). Considering the unfavourable orders by the tax department, both the companies, up to 31st December 2017, had classified the risk for these matters as probable and provided for the same.

During the previous year, the CIT-A decided the matter in favour of both the Companies for two more years, against which the department filed appeals in the ITAT.

In view of the series of repeated favourable orders by the Income tax department received by both the companies in the previous year, the matter has again been reviewed by both the companies and after considering the legal merits of the claims, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of appeals of both the companies by the CIT (A) during the previous year, as mentioned above, both the Companies reassessed the risk and concluded that the risk of an ultimate outflow of the funds for this matter is no longer probable.

Accordingly, both the Company and its subsidiary, ACC Limited, have reversed during previous year:

a) the provisions of ₹ 872.64 crore, resulting in a reduction in current tax liabilities by ₹ 445.94 crore, increase in MAT credit entitlement (net) of ₹ 34.72 crore and an increase in non-current tax assets (net) by ₹ 391.98 crore.

b) interest provision related to above ₹ 35.88 crore.

Further, during the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Group had recognised interest income on income tax refund and reversal of provision for interest on income tax, aggregating ₹ 409.24 crore. However, considering the uncertainty of its ultimate realisability, the Group has also made a provision of ₹ 258.18 crore, resulting in recognition of net income of ₹ 151.08 crore in other income during the year.

Pending final legal closure of the matter, the said amounts have been reported under contingent liabilities in the consolidated financial statements.

Note 32 - Other non-current liabilities

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Rebate to customers	**35.83**	7.17
Total	**35.83**	7.17

Note 33 - Total outstanding dues of Micro and Small Enterprises

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Group regarding the status of the suppliers (Refer Note (a) below).		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	**12.36**	8.53
Interest	**0.01**	0.01
	12.37	8.54
b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	**26.26**	28.76
Interest	**0.31**	0.26
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	**-**	0.03
d) The amount of interest accrued and remaining unpaid at the end of the year	**0.01**	0.04
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

Note :

a) Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 34 - Other current financial liabilities

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Financial Liabilities at amortised cost		
Security deposit and retention money	**1,217.98**	958.32
Liability for capital expenditure	**243.33**	209.92
Unpaid dividends (Refer Note (a) below)	**51.87**	56.64
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile and ACRL	**2.50**	2.50
Current maturities of borrowings	**5.78**	-
Others (includes interest on security deposits)	**198.08**	163.15
Financial Liabilities at fair value		
Foreign currency forward contract	**0.09**	1.28
Total	**1,719.63**	1,391.81

Note :

a) Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Group.

Note 35 - Other current liabilities

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Contract liability (Refer Note (a) below)		
Advance received from customers	**235.95**	313.70
Other liability		
Statutory dues	**1,065.15**	1,009.88
Rebates to customers	**913.21**	665.20
Other payables (includes interest on income tax)	**1,444.41**	1,101.08
Total	**3,658.72**	3,089.86

Note:

a) The Group has adopted Ind AS 115 full retrospective approach. Advance from customer has been included as part of contract liabilities. The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2019.

Note 36 - Current provisions

(Refer Note 3 (P) for accounting policy on retirement and other employee benefits)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Provision for gratuity and staff benefit schemes (Refer Note 51)	**10.67**	18.53
Long service award and other benefit plans	**0.86**	1.02
Provision for compensated absences	**98.36**	99.69
Total	**109.89**	119.24

Note 37 - Revenue from operations

(Refer Note 3 (O) (I) for accounting policy on revenue recognition)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Revenue from contracts with customers		
Sale of Manufactured products	**25,972.11**	25,290.33
Sale of Traded products	**560.77**	121.17
Sale of services	**5.74**	7.40
Sale of products and services	**26,538.62**	25,418.90
Other operating revenues		
Provisions no longer required written back	**13.33**	32.27
Sale of scrap	**73.64**	85.02
Incentives and subsidies (Refer Note 38)	**382.47**	396.53
Miscellaneous income (Refer Note 38) (includes insurance claims, other services, etc.)	**95.49**	108.22
Total	**27,103.55**	26,040.94

Notes:

a) Reconciliation of revenue as per contract price and as recognised in consolidated statement of profit and loss:

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Revenue as per contract price	**29,955.21**	27,726.27
Less: Discounts and incentives	**3,416.59**	2,307.37
Revenue as per consolidated statement of profit and loss	**26,538.62**	25,418.90

b) The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.

c) The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

e) Disaggregation of revenue:

Refer Note 57 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

Note 38 - Government grants

(Refer Note 3 (W) for accounting policy on government grants and subsidies)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Recognised in consolidated statement of profit and loss		
Incentives and subsidies (Refer Note (a) below)	**382.47**	396.53
Discounting income on interest free loan from State Government included in miscellaneous income of Note 37	**-**	8.81
Total	**382.47**	405.34

Note:

a) Accrued for the GST refund claim, under various incentive schemes of State and Central Government. There are no unfulfilled conditions or contingencies attached to these grants.

Note 39 - Other income

(Refer Note 3 (O) (II) and (III) for accounting policy on interest income and dividends)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Interest income on		
Bank deposits - effective interest rate method	**365.88**	240.49
Income tax refund (Refer Note 31)	**123.58**	0.10
Defined benefit obligation (net) (Refer Note 51)	**0.15**	-
Others	**10.96**	13.44
	500.57	254.03
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	**49.48**	80.09
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	**3.17**	1.42
Interest on income tax write back (Refer Note 31)	**27.50**	35.87
Others	**0.02**	0.03
Total	**580.74**	371.44

Note:

a) These instruments are at fair value through profit or loss in accordance with Ind AS 109.

Note 40 - Cost of materials consumed

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Inventories at the beginning of the year	**258.74**	211.18
Add : Purchases during the year	**3,145.35**	3,394.06
	3,404.09	3,605.24
Less : Inventories at the end of the year	**172.87**	258.74
Cost of materials consumed (Refer Note (a) below)	**3,231.22**	3,346.50

Notes:

a) **Break-up of cost of materials consumed**

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Fly ash	**883.22**	946.21
Gypsum	**583.42**	577.15
Slag	**357.16**	478.55
Others (Refer Note (b) below)	**1,407.42**	1,344.59
Total	**3,231.22**	3,346.50

b) Includes no item which in value individually accounts for 10% or more of the total value of materials consumed.

Note 41 (a) - Purchases of Stock-in-Trade

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Cement	273.03	79.32
Ready mix concrete	1.45	9.90
Allied product	34.34	-
Total	308.82	89.22

Note 41(b) - Change in inventories of finished goods, work-in-progress and stock-in trade

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Inventories at the end of the year		
Work-in-progress	452.05	561.25
Finished goods	335.72	402.46
Stock in trade	9.36	1.00
Captive coal	31.21	7.27
	828.34	971.98
Inventories at the beginning of the year		
Work-in-progress	561.25	534.41
Finished goods	402.46	239.53
Stock-in-trade	1.00	0.17
Captive coal	7.27	-
	971.98	774.11
(Increase) / Decrease in Inventories	143.64	(197.87)

Note 42 - Employee benefits expense

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Salaries and wages	1,373.45	1,308.77
Contribution to provident and other funds	98.45	111.95
Employee stock option expenses (Refer Note 66)	1.16	-
Staff welfare expenses	97.69	103.65
Total	1,570.75	1,524.37

Note 43 - Finance costs

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Interest on		
Income tax (net of interest income on refund - ₹ 81.00 crore; previous year - ₹ Nil)	37.96	52.79
Defined benefit obligation (net) (Refer Note 51)	7.99	9.93
Security deposit	58.70	54.92
Others	60.87	46.94
Unwinding of financial liabilities	1.39	2.82
Unwinding of mines reclamation provision (Refer Note 28)	2.96	3.10
Total	169.87	170.50

Note 44 - Depreciation and amortisation expense

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Depreciation on property, plant and equipment (Refer Note 4)	1,147.05	1,147.92
Less : Pre-operative charge during the year (Refer Note 7)	1.25	0.27
	1,145.80	1,147.65
Amortisation of intangible assets (Refer Note 6)	6.72	6.29
Total	1,152.52	1,153.94

Note 45 - Freight and forwarding expense

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
On finished products	5,940.10	6,010.39
On internal material transfer	1,187.87	1,262.02
Total	7,127.97	7,272.41

Note 46 - Other expenses

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Royalty on minerals	533.70	521.13
Consumption of stores and spare parts	642.39	613.86
Consumption of packing materials	842.41	918.36
Repairs	374.49	372.84
Rent (Refer Note 52)	188.68	187.37
Rates and taxes	218.56	235.05
Insurance	44.14	41.79
Technology and know-how fees	264.97	253.93
Advertisement	197.05	125.27
Donation	60.98	52.12
Exchange loss (net)	0.18	9.48
Impairment losses on financial assets (including reversals of impairment losses)	21.51	5.39
Miscellaneous expenses (Refer Note (a) below)	1,021.38	1,114.01
Total	4,410.44	4,450.60

Notes:

a) **Miscellaneous expenses :**

i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

ii) Includes Commission on sales, Information technology services, Traveling expenses, Other third party services, etc.

Note 47 - Earnings per share (EPS)

(Refer Note 3 (X) for accounting policy on earnings per share)

a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

c) Calculation of the basic and diluted EPS :

Particulars		For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
i)	Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	2,095.00	2,177.40
ii)	Weighted average number of equity shares for basic EPS	1,985,645,229	1,985,645,229
	Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992	315,467	316,262
iii)	Weighted average number of shares for diluted EPS	1,985,960,696	1,985,961,491
iv)	Earnings per equity share (in ₹)		
	Face value of equity per share	2.00	2.00
	Basic	10.55	10.97
	Diluted	10.55	10.96

Note 48 - Contingent Liabilities (to the extent not provided for)

(Refer Note 3 (M) (II) for accounting policy on contingent liability)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Contingent liabilities and claims against the group not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	**10.36**	11.44
Land	**49.67**	26.44
Demand from Competition Commission of India (Refer Note (b) below)	**3,254.85**	3,006.33
Sales tax (Refer Note (c) below)	**305.00**	308.33
Excise customs and service tax (Refer Note (d) below)	**383.81**	375.98
Stamp duty (Refer Note (e) below)	**305.88**	287.88
Income tax (Refer Note 31)	**1,063.07**	914.11
Royalty on Limestone	**28.79**	28.79
Claims for mining lease rent (Refer Note (f) below)	**212.22**	73.46
Others	**185.97**	226.98
Total	**5,799.62**	5,259.74

Notes :

a) i) In respect of items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

iii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

b) Demand from Competition Commission of India

i) In 2012, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crore (31st December 2018 - ₹ 1,163.91 crore) on the Company and ₹ 1,147.59 crore (31st December 2018 - ₹ 1,147.59 crore) on its subsidiary ACC Limited, aggregating to ₹ 2,311.50 crore (31st December 2018 - ₹ 2,311.50 crore), concerning alleged contravention of the provisions of the Competition Act, 2002. On appeal by the Company and ACC Limited, the Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August 2016, imposed penalty of ₹ 1,163.91 crore (31st December 2018 - ₹ 1,163.91 crore) on the Company and ₹ 1,147.59 crore (31st December 2018 - ₹ 1,147.59 crore) on ACC Limited, aggregating to ₹ 2,311.50 crore (31st December 2018 - ₹ 2,311.50 crore). The Company and ACC Limited filed appeals against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July 2018, dismissed the appeal filed by the Company and ACC Limited and upheld the CCI's order. Against this, the Company and ACC Limited appealed to the Hon'ble Supreme Court, which by its order dated 5th October 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

ii) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January 2017 had imposed penalty of ₹ 29.84 crore (31st December 2018 - ₹ 29.84 crore) on the Company and ₹ 35.32 crore (31st December 2018 - ₹ 35.32 crore) on ACC Limited, aggregating to ₹ 65.16 crore (31st December 2018 - ₹ 65.16 crore). On appeal by Company and ACC Limited, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company and ACC Limited believe they have good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 878.19 crore (31st December 2018 - ₹ 629.67 crore).

Note 48 - Contingent liabilities (to the extent not provided for)

c) Sales tax matter includes :

Includes a matter relating to 75% exemption from sales tax granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December 2018 - ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company deposited ₹ 143.52 crore, including interest of ₹ 30 crore (31st December 2018 - ₹ 143.52 crore including interest of ₹ 30.00 crore), towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial and Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

d) Excise, customs and service tax includes :

A matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on F.O.R. basis. The Group availed the credit based on legal provision and various judicial precedence. On the same matter of another cement company, the Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company, the Hon'ble Supreme Court has decided against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBIC) circular, based on legal opinion, the Group has treated the same as "possible". Accordingly, ₹ 287.40 crore (31st December 2018 - ₹ 267.94 crore) has been disclosed as contingent liability.

e) Stamp duty includes :

The Collector of Stamps, Delhi vide its Order dated 7th August 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December 2018 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Private Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

f) Claim for Mining Lease

The Group has received demand notice dated 10th May 2013 from the Government of Tamil Nadu, and an Order dated 22nd August 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 01.04.1997 to 31.03.2014 and 01.04.2014 to 31.03.2019, amounting to ₹ 73.46 crore and ₹ 138.75 crore respectively for use of the Government land for mining, which land the Group occupies on the basis of the mining leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the company to pay compensation for use of Government land. Group has challenged the demands by way of Revision under the Mineral Concession Rules and in writ petitions before the Hon'ble High Court of Tamil Nadu at Chennai, and in a petition has obtained an order restraining the state from taking coercive steps.

Pending the same the High Court of Tamil Nadu in the group writ petitions of other cement manufacturers viz Dalmia Cements, Madras Cements & others has passed a judgment dated 20th November 2019 allowing annual compensation to be collected by the state u/rule 72 of MCR in respect of Government Poramboke Land. The Group has filed a writ appeal against the Judgment dated 20th November 2019 passed in Dalmia Cements, Madras Cements & others. The Group is of the view and has been advised legally, that the merits are strongly in its favour.

Note 49 - Material demands and disputes relating to assets and liabilities reported by a subsidiary as "remote"

a) ACC Limited, a subsidiary of the Company (ACC), having cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the ACC to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore (Previous year - ₹ 82.37 Crore) was raised. ACC filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Group believes its case is strong and the demand is unlikely to sustain under law

Note 49 - Material demands and disputes relating to assets and liabilities reported by a subsidiary as "remote"

b) ACC Limited, a subsidiary of the Company (ACC), had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. ACC had accrued sales tax incentives aggregating ₹ 56 crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64 crore (tax of ₹ 56 crore and interest of ₹ 8 crore) which is considered as recoverable.

The HP Hon'ble High Court, had in 2012, dismissed the ACC's appeal. ACC believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. ACC has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, ACC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

c) ACC Limited, a subsidiary of the Company (ACC), was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, ACC has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 crore representing part of the One Time Lumpsum capital subsidy claim of ₹ 15 crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the ACC. ACC had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected / raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both ACC and the State Government, against a single bench order only partially allowing the ACC's claim, in its order dated 24th February 2015, allowed the ACC's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the ACC is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, ACC received only ₹ 64 crore out of total ₹ 235 crore in part disbursement from the Government of Jharkhand. ACC is pursuing the matter of disbursement of further amounts outstanding. The Group is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

d) ACC Limited, a subsidiary of the Company (ACC), had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. ACC had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the ACC's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 crore (net of provision) (31st December 2018 - ₹ 56.66 crore), ACC is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 crore (31st December 2018 - ₹ 115.62 crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the ACC. ACC believes that the merits of the claims are strong and will be allowed.

e) ACC Limited, a subsidiary of the Company (ACC), is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by ACC on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed ACC's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to ACC, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. ACC maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. ACC has accrued an amount of ₹ 133 crore (31st December 2018 - ₹ 133 crore) on this account. ACC has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. ACC believes that the merits of the claim are strong.

f) ACC Limited, a subsidiary of the Company (ACC), was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period. ACC received demand from District Mining Officer for ₹ 881 crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On 2nd January 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein. ACC then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance. On 31 October 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the ACC to commence mining operations after depositing ₹ 48 crore, being assessed value of materials dispatched between April 2014 to Sep 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by ACC.

ACC believes that the case shall not stand the test of judicial scrutiny basis the automatic renewal coupled with legal advice.

Note 50 - Capital and other commitments

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**1,303.07**	621.82
Total	**1,303.07**	**621.82**

Note:

a) For commitments relating to lease arrangements, Refer Note 52

Note 51 - Employee benefits

(Refer Note 3 (P) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Amount recognised and included in note 42 "contribution to provident and other funds" (including contribution to provident fund trust referred in note (h) below) of the consolidated statement of profit and loss ₹ 45.48 crore (previous year - ₹ 47.61 crore).

b) Defined benefit plans - as per actuarial valuation

The Group has defined benefit gratuity, post employment medical benefit plans and trust managed provident fund plan as given below:

i) Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary).

ii) Other non funded plans includes post employment healthcare to certain employees.

c) Investment strategy

The Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The Group has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The plan typically exposes the Group to actuarial risks such as investment risk, interest rate risk, demographic risk, salary inflation risk and longevity risk.

i) Investment risk : As the plan assets include significant investments in quoted debt and equity instruments, the Group is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

ii) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will tend to increase.

iii) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria

iv) Salary Inflation risk : All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

v) Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Other non funded plans include post employment healthcare benefits.

Note 51 - Employee benefits

e) Summary of the components of net benefit / expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans:

Particulars			2019		2018	
			Funded	**Non funded**	Funded	Non funded
			₹ in crore	**₹ in crore**	₹ in crore	₹ in crore
I	**Expense recognised in the consolidated statement of profit and loss**					
	1	Current service Cost	**23.77**	**10.24**	23.84	8.99
	2	Interest cost	**9.90**	**9.11**	23.62	9.21
	3	Interest (income) on plan assets	**(10.20)**	**-**	(22.90)	-
	4	Past service cost	**-**	**(12.34)**	-	(13.23)
	5	Amount recognized in the consolidated statement of profit and loss	**23.47**	**7.01**	24.56	4.97
II	**Re-measurements recognised in consolidated other comprehensive income (OCI)**					
	1	Demographic changes	**(0.02)**	**-**	-	-
	2	Change in financial assumptions	**11.04**	**6.67**	(3.64)	(1.17)
	3	Experience changes	**8.53**	**1.20**	3.73	3.16
	4	Return on plan assets (excluding interest income)	**(8.17)**	**-**	2.40	-
	5	Amount recognised in OCI	**11.38**	**7.87**	2.49	1.99
III	**Net asset / (liability) recognised in the consolidated balance sheet**					
	1	Present value of defined benefit obligation	**341.02**	**126.32**	322.40	127.28
	2	Fair value of plan assets	**302.45**	**-**	308.53	-
	3	Funded status[surplus/(deficit)]	**(38.57)**	**(126.32)**	(13.87)	(127.28)
	4	Net asset/(liability)	**(38.57)**	**(126.32)**	(13.87)	(127.28)
IV	**Change in defined benefit obligation during the year**					
	1	Present value of defined benefit obligation at the beginning of the year	**322.40**	**127.41**	339.88	132.04
	2	Current service cost	**23.77**	**9.85**	23.84	8.99
	3	Interest service cost	**22.82**	**9.12**	23.62	9.21
	4	Past service cost	**-**	**-**	-	(13.23)
	5	Actuarial (gains)/losses recognised in consolidated other comprehensive income:	**-**	**-**	-	(13.23)
		- Demographic changes	**(0.02)**	**(0.01)**	-	-
		- Change in financial assumptions	**11.04**	**6.70**	(3.64)	(1.17)
		- Experience Changes	**8.53**	**1.54**	3.73	3.16
	6	Benefit payments	**(47.51)**	**(15.62)**	(64.27)	(11.74)
	7	Curtailment	**-**	**(12.47)**	-	-
	8	Net transfer in on account of business combinations / others	**-**	**-**	(0.76)	0.15
	9	Present value of defined benefit obligation at the end of the year (Refer Note (v) below)	**341.02**	**126.52**	322.40	127.41

Note 51 - Employee benefits

Particulars			2019		2018	
			Funded ₹ in crore	Non funded ₹ in crore	Funded ₹ in crore	Non funded ₹ in crore
V	**Change in fair value of assets during the year**					
	1	Plan assets at the beginning of the year	**308.53**	**-**	319.46	-
	2	Interest income	**23.12**	**-**	22.90	-
	3	Contribution by employer	**6.60**	**-**	28.00	-
	4	Actual benefit paid	**(43.98)**	**-**	(59.43)	-
	5	Return on plan assets (excluding interest income)	**8.17**	**-**	(2.40)	-
	6	Plan assets at the end of the year	**302.45**	**-**	308.53	-
VI	Weighted average duration of defined benefit obligation		**10 years**	**10 - 10.20 years**	10 years	10 - 10.20 years
VII	**Maturity profile of defined benefit obligation**					
	1	Within the next 12 months	**37.25**	**10.41**	35.85	9.88
	2	Between 1 and 5 years	**149.43**	**47.57**	146.92	45.05
	3	Between 5 and 10 years	**152.20**	**52.63**	149.95	52.57
VIII	**Sensitivity analysis for significant assumptions (Refer Note (i) & (ii) below)**					
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)					
	1	For increase in discount rate by 100 basis points	**319.20**	**116.22**	302.58	116.72
	2	For decrease in discount rate by 100 basis points	**365.22**	**135.96**	344.82	139.32
	3	For increase in salary rate by 100 basis points	**365.02**	**125.88**	344.69	115.03
	4	For decrease in salary rate by 100 basis points	**319.05**	**107.76**	302.31	97.52
	5	For increase in medical inflation rate by 100 basis points	**-**	**9.48**	NA	24.14
	6	For decrease in medical inflation rate by 100 basis points	**-**	**8.85**	NA	19.10
IX	**The major categories of plan assets as a percentage of total plan**					
	Qualifying insurance policy with Life Insurance Corporation of India (LIC) and HDFC Life Insurance (Refer Note (vi) below)		**100%**	**NA**	100%	NA
X	**Expected cash flows**					

Particulars			2019		2018	
			Funded ₹ in crore	Non funded ₹ in crore	Funded ₹ in crore	Non funded ₹ in crore
	1)	Expected employer contribution in the next year	**13.71**	**-**	29.90	0.14
	2)	Expected benefit payments				
		Year 1	**37.25**	**10.39**	35.85	9.86
		Year 2	**38.42**	**10.83**	34.44	10.05
		Year 3	**39.59**	**11.69**	37.73	10.69
		Year 4	**35.08**	**12.91**	38.18	12.48
		Year 5	**36.34**	**11.92**	36.57	11.67
		Next 5 years	**152.20**	**52.18**	149.95	52.10
		Total Expected benefit payments	**338.88**	**109.92**	332.72	106.85

Note 51 - Employee benefits

XI Actuarial Assumptions

Particulars		As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
1)	**Financial Assumptions**		
	Discount rate (Refer Note (ii) below)	**6.80%**	7.55%
	Salary escalation (Refer Note (iii) below)	**6.50%**	7.00%
2)	**Demographic Assumptions**		
	Expected average remaining working lives of employees	**10.27**	10.23
	Disability rate	**5% mortality rates**	5% mortality rates
	Expected rate of return on plan assets (% p.a.) (Refer Note (v) below)	**6.80%**	7.55%
	Medical premium inflation (% p.a.)	**7.00%**	8.00%
	Retirement age	**58 - 60 years**	58 - 60 years
	Mortality pre-retirement	**Indian Assured Lives Mortality (IALM) (2012-14) Ultimate**	Indian Assured Lives Mortality (IALM) (2006-08) Ult.
	Mortality post-retirement	**LIC (1996-98) Annuitants**	LIC (1996-98) Annuitants
	Turnover rate	**Upto age of 44 years : 5% and above 44 years : 1%**	Upto age of 44 years : 5% and above 44 years : 1%

Notes:

i) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

ii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

iii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

iv) **Basis used to determine expected rate of return on assets**

The Group has considered the current level of returns declared by LIC and HDFC Life Insurance i.e. 7.30 % - 8.00% to develop the expected long-term return on assets for funded plan of gratuity.

v) During the previous year, the Group has discontinued actuarial valuation for its one "other non-funded" plan and merged another "non-funded plan" into "funded plan. Accordingly, "present value of defined benefit obligation" of non funded plan is having a difference of ₹ 0.49 crore for the previous year.

vi) In the absence of detailed information regarding plan assets which is funded with LIC and HDFC Life Insurance, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

f) Amount recognised as expense in respect of compensated absences is ₹ 28.51 crore (previous year - ₹ 31.08 crore).

g) The Group expects to make contribution of ₹ 13.71 crore (previous year - ₹ 29.90 crore) to the defined benefit plans during the next year.

h) Provident Fund managed by a trust set up by the Group

Provident Fund for certain eligible employees is managed by the Group through a trust "Ambuja Cements Staff Provident Fund Trust" and " The provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

Note 51 - Employee benefits

The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Group has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and shortfall of ₹ 62.92 crore (previous year - ₹ 0.07 crore) (including investment risk fall as mentioned below) on re-measurement of the defined benefit plan is recognised in Other Comprehensive Income (OCI)."

The Group had invested provident fund of ₹ 9.05 crore through a trust "Ambuja Cements Staff Provident Fund Trust" in bonds of IL&FS Financial Services Limited and Diwan Housing Finance Limited ₹ 49 crore through a trust "ACC Limited (Trust) in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of this investment, during the current year ended 31st December 2019 the Group has provided ₹ 58.05 crore being the change in re-measurement of the defined benefit plans, in Other Comprehensive Income towards probable incremental employee benefit liability that may arise on the Group on account of any likely shortfall of the Trust in meeting its obligations.

h) Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

Particulars			For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
I)	**Components of expense recognised in the Consolidated Statement of Profit and Loss**			
	1	Current service cost	**32.56**	27.36
	2	Interest Cost	**8.66**	9.30
	3	Interest Income	**(8.51)**	(9.30)
	4	Total expenses	**32.71**	4.65
II)	**Amount recognised in Consolidated Balance Sheet**			
	1	Present value of Defined Benefit Obligation	**(974.61)**	(589.81)
	2	Fair value of plan assets	**911.65**	868.92
	3	Funded status {Surplus/(Deficit)}	**(62.96)**	279.11
	4	Net asset/(liability) as at end of the year ((Refer Note (ii) given below)	**(62.96)**	0.57
III)	**Present Value of Defined Benefit Obligation**			
	1	Present value of Defined Benefit Obligation at beginning of the year	**869.55**	843.15
	2	Current service cost	**32.56**	27.36
	3	Interest cost	**71.32**	52.62
	4	Benefits paid and transfer out	**(100.39)**	(157.60)
	5	Employee Contributions	**73.81**	70.82
	6	Transfer in / (Out) Net	**10.54**	26.24
	7	Actuarial (gains) / losses	**17.22**	6.96
	8	Present value of Defined Benefit Obligation at the end of the year	**974.61**	869.55
IV)	**Fair Value of Plan Assets**			
	1	Plan assets at the beginning of the year	**868.92**	845.96
	2	Return on plan assets including interest income	**71.17**	52.62
	3	Contributions by Employer	**32.21**	27.36
	4	Contributions by Employee	**73.81**	70.82
	5	Transfer in / (Out) Net	**10.54**	26.24
	6	Asset Gain /(Loss)	**(84.45)**	(120.88)
	7	Actual benefits paid	**(60.55)**	(33.20)
	8	Plan assets at the end of the year	**911.65**	868.92
V)	**Amounts recognised in Other Comprehensive Income at period end**			
	Actuarial (Gain) / Loss on Liability		**17.23**	13.28
	Actuarial (Gain) / Loss on Plan assets		**44.59**	(13.21)
	Total Acturial (Gain) / Loss included in OCI		**61.82**	0.07

Note 51 - Employee benefits

Particulars			For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
VI)	Weighted Average duration of Defined Benefit Obligation		10 years	10 years
VII)	The major categories of plan assets as a percentage of total plan			
	1	Special deposits scheme	4.00%	2.50%
	2	Government Securities	38.50%	42.50%
	3	Debentures and Bonds	54.50%	50.00%
	4	Mutual Fund	3.00%	5.00%
			100.00%	100.00%
VIII)	The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:			
	1	Discounting rate	6.80%	7.50%
	2	Guaranteed interest rate	8.65%	8.55%

Particulars			As at December 31, 2019	As at 31.12.2018
IX)	Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)			
	1	Discount rate (1% movement)	971.78	864.00
	2	Discount rate (1% decrease)	976.56	892.67
	3	Interest rate guarantee (1% movement)	1,023.96	897.86
	4	Interest rate guarantee (1% decrease)	952.19	864.34

Notes:

i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

ii) In respect of Provident Fund, only liability is recognised in Consolidated Balance Sheet. Surplus is not recognised in Consolidated Balance Sheet.

iii) The Group expects to contribute ₹ 33.00 crore (previous year - ₹ 30.50 crore) to the trust managed Provident Fund in next year.

Note 52 - Leases

(Refer Note 3 (T) for accounting policy on leases)

A) Operating lease commitments - Group as a lessee

i) The Group has entered into various long term lease agreements for land. The Group does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31st December 2019 aggregating ₹ 35.55 crore (31st December 2018 - ₹ 36.86 crore) is included in other non current / current assets, as applicable.

ii) The Group has taken various residential premises, office premises, warehouses, grinding facility, concrete pumps, godowns and transit mixer and flats under operating lease agreements. These are generally cancellable and renewable by mutual consent on mutually agreed terms.

iii) The lease payments recognised in the consolidated statement of profit and loss under other expenses amounts to ₹ 191.25 crore (31st December 2018 - ₹ 177.93 crore).

iv) The lease payments recognised in the consolidated statement of profit and loss under freight and forwarding expense on finished products amounts to ₹ 26.99 crore (31st December 2018 - ₹ 35.94 crore).

Note 52 - Leases

v) General description of the leasing arrangement:

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases.

Future lease rental payments under non-cancellable operating leases are as follows :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Not later than one year	**75.19**	79.99
Later than one year and not later than five years	**182.71**	96.04
Later than five years	**161.36**	51.71
Total	**419.26**	227.74

The Group has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Group has evaluated such arrangement based on facts and circumstances and have identified them in the nature of lease as the group takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

The Group has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

There are no minimum lease payments under such arrangement.

B) Finance Leases - Group as a lessee

The Group has entered into various finance lease agreements for land which have been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land (Refer Note 4). The Group does not have an option to purchase such leasehold land at the expiry of the lease period. There are no restrictions such as those concerning dividends, additional debts and further leasing imposed by the lease agreement.

Note 53 - Related party disclosure

I) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
i)	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
ii)	Holderfin B.V, Netherlands	Intermediate Holding Company
iii)	Holderind Investments Limited, Mauritius	Holding Company

B) Others, with whom transactions have taken place during the current year and /or previous year

i) Related parties

Sr	Name	Nature of Relationship
a)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
b)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
c)	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
d)	Holcim Services (South Asia) Limited	Fellow Subsidiary
e)	Holcim (US) Inc	Fellow Subsidiary
f)	LH Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	Fellow Subsidiary
g)	PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
h)	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
i)	Holcim Cement (Bangladesh) Limited, Bangladesh	Fellow Subsidiary
j)	Holcim (Romania) S.A., Romania	Fellow Subsidiary
k)	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
l)	Lafarge Zambia PLC,Zambia	Fellow Subsidiary

Note 53 - Related party disclosure

m)	LafargeHolcim Building Materials (China) Limited	Fellow Subsidiary
n)	Lafarge Holcim Global Hub Services Private Limited	Fellow Subsidiary
o)	Lafarge SA, France	Fellow Subsidiary
p)	Lafarge Africa PLC,Nigeria	Fellow Subsidiary
q)	Holcim Trading FZCO., UAE	Fellow Subsidiary
r)	Lafarge Cement AS,Czech Republic	Fellow Subsidiary
s)	Counto Microfine Products Private Limited	Joint Venture
t)	Aakaash Manufacturing Company Private Limited	Associate of Subsidiary
u)	Alcon Cement Company Private Limited	Associate of Subsidiary
v)	Asian Concretes and Cements Private Limited	Associate of Subsidiary
w)	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
x)	Ambuja Cements Limited Employees Grautity Fund Trust	Trust (Post-employment benefit plan)
y)	The Provident Fund of ACC Limited	Trust (Post-employment benefit plan)
z)	ACC Limited Employees Group Gratuity Scheme	Trust (Post-employment benefit plan)

ii) Key Management Personnel (KMP)

In accordance with "Ind AS 24 - Related Party Disclosures" and the Companies Act, 2013, following Personnels are considered as KMP.

Sr	Name	Nature of Relationship
a)	Mr. N.S. Sekhsaria	Non-Executive Director
b)	Mr. Jan Jenisch	Non-Executive Director
c)	Mr. Martin Kriegner	Non-Executive Director
d)	Mr. Christof Hassig	Non-Executive Director
e)	Ms. Usha Sangwan	Non-Executive Director (upto 20th December 2018)
f)	Mr. B.L.Taparia	Non-Executive Director(upto 29th March 2019)
g)	Mr. Nasser Munjee	Independent Director
h)	Mr. Rajendra P. Chitale	Independent Director
i)	Mr. Shailesh Haribhakti	Independent Director
j)	Dr. Omkar Goswami	Independent Director
k)	Mr. Haigreve Khaitan	Independent Director (upto 31st March 2019)
l)	Mr. Roland Kohler	Non-Executive Director
m)	Ms. Then Hwee Tan	Non-Executive Director (with effect from 18th February 2019)
n)	Mr. Mahendra Kumar Sharma	Non-Executive Director (with effect from 01st April 2019)
o)	Ms. Shikha Sharma	Independent Director (with effect from 01st April 2019)
p)	Mr. Ranjit Shahani	Non-Executive Director (with effect from 01st April 2019)
q)	Mr. Praveen Kumar Molri	Non-Executive Director (with effect from 01st April 2019)
r)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer (upto 28th February 2019)
s)	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (with effect from 1st March 2019)
t)	Mr. Suresh Joshi	Chief Financial Officer (upto 30th April 2019)
u)	Ms. Sonal Shrivastava	Chief Financial Officer (with effect from 1st May 2019)
v)	Mr. Rajiv Gandhi	Company Secretary

Note 53 - Related party disclosure

II) Transactions with related party

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
A) Transactions with fellow subsidiaries during the year		
1 Purchase of goods		
LafargeHolcim Energy Solutions S.A.S., France	**520.09**	549.94
2 Purchase of Fixed Assets		
Holcim (US) Inc	**97.58**	-
3 Receiving of services		
Holcim Group Services Limited, Switzerland	**1.40**	2.81
Holcim Technology Limited, Switzerland	**267.11**	253.92
Holcim Services (South Asia) Limited	**115.61**	147.73
Lafarge SA, France	**2.79**	-
	386.91	404.46
4 Rendering of services		
Holcim Group Services Limited, Switzerland	**0.05**	2.19
Holcim Technology Limited, Switzerland	**-**	1.45
Lafarge Zambia PLC, Zambia	**0.02**	0.03
Holcim Services (South Asia) Limited	**11.60**	7.40
Lafarge Holcim Global Hub Services Private Limited	**0.83**	-
Lafarge SA, France	**1.72**	-
	14.22	11.07

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
5 Other recoveries		
Holcim Technology Limited, Switzerland	**0.44**	0.58
LafargeHolcim Energy Solutions S.A.S., France	**0.93**	0.30
LH Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	**1.92**	0.13
Lafarge Africa PLC, Nigeria	**0.16**	-
LafargeHolcim Bangladesh Ltd, Bangladesh	**0.02**	0.01
	3.47	1.02
6 Other payments		
LafargeHolcim Energy Solutions S.A.S., France	**3.97**	2.33
Holcim Technology Limited, Switzerland	**1.99**	0.96
LafargeHolcim Building Materials (China) Limited	**0.04**	0.88
Lafarge Cement AS, Czech Republic	**-**	0.01
	6.00	4.18

Note 53 - Related party disclosure

Particulars	As at December 31, 2019 ₹ in crore	As at December 31, 2018 ₹ in crore
B) Outstanding balances with fellow subsidiaries		
1 Amount receivable at the year end		
Holcim Cement (Bangladesh) Limited, Bangladesh	**0.01**	0.01
PT Holcim Indonesia Tbk., Indonesia	**0.15**	0.15
Holcim Technology Limited, Switzerland	**3.37**	1.45
Holcim Philippines, Inc., Philippines	**-**	0.02
Holcim Technology Limited (Singapore) Pte Limited, Singapore	**-**	0.01
LH Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	**0.13**	0.13
Holcim Group Services Limited, Switzerland	**-**	2.19
Lafarge Zambia PLC, Zambia	**-**	0.03
LafargeHolcim Bangladesh Ltd, Bangladesh	**0.03**	0.01
Lafarge SA, France	**2.22**	-
Lafarge Holcim Global Hub Services Private Limited	**0.08**	-
Holcim Services (South Asia) Limited	**6.60**	7.65
	12.59	11.65
2 Amount payable at the year end	**-**	
Holcim Technology Limited, Switzerland	**65.20**	62.78
Holcim Services (South Asia) Limited	**33.43**	2.08
Holcim (Romania) S.A., Romania	**0.03**	0.03
Holcim Trading FZCO., UAE	**-**	0.18
Holcim Group Services Limited, Switzerland	**0.95**	1.70
LafargeHolcim Energy Solutions S.A.S., France	**36.10**	194.39
LafargeHolcim Building Materials (China) Limited	**-**	0.89
	135.71	262.05

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
II) Transactions with related party		
C) Transactions with holding company		
1 Dividend paid		
Holderind Investments Limited, Mauritius	**199.75**	263.25
2 Other Recoveries		
LafargeHolcim Limited, Switzerland	**0.03**	2.62

Particulars	As at December 31, 2019 ₹ in crore	As at December 31, 2018 ₹ in crore
D) Outstanding Balances with holding company		
1 Amount receivable at the year end		
LafargeHolcim Limited, Switzerland	**0.03**	3.07

Note 53 - Related party disclosure

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
E) Transactions with associates		
1 Purchase of goods		
Alcon Cement Company Private Limited	**68.46**	71.89
Asian Concretes and Cements Private Limited	**11.19**	20.76
	79.65	92.65
2 Sale of goods		
Alcon Cement Company Private Limited	**20.78**	26.40
3 Receiving of services		
Asian Concretes and Cements Private Limited	**107.60**	117.92
4 Other recoveries		
Alcon Cement Company Private Limited	**13.47**	14.71
5 Other payments		
Alcon Cement Company Private Limited	**1.67**	2.62
Asian Concretes and Cements Private Limited	**0.55**	0.54
	2.22	3.16
6 Dividend received		
Alcon Cement Company Private Limited	**0.37**	0.41

Particulars	As at December 31, 2019 ₹ in crore	As at December 31, 2018 ₹ in crore
F) Outstanding balances with associate company		
1 Amount receivable at the year end		
Alcon Cement Company Private Limited	**6.81**	8.99
2 Amount payable at the year end		
Alcon Cement Company Private Limited	**3.11**	3.69
Asian Concretes and Cements Private Limited	**14.69**	19.27
	17.80	22.96

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
II) Transactions with related party		
G) Transactions with joint ventures		
1 Rendering of services		
Counto Microfine Products Private Limited	**2.62**	3.03
2 Dividend Received		
Counto Microfine Products Private Limited	**1.66**	-
Aakaash Manufacturing Company Private Limited	**1.32**	0.68
	2.98	0.68

Note 53 - Related party disclosure

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
3 Purchase of Goods		
Counto Microfine Products Private Limited	**1.11**	3.28
Aakaash Manufacturing Company Private Limited	**100.86**	104.12
	101.97	107.40
4 Sale of goods		
Counto Microfine Products Private Limited	**0.11**	0.16
Aakaash Manufacturing Company Private Limited	**12.52**	14.57
	12.63	14.73
5 Other recoveries		
Counto Microfine Products Private Limited	**-**	0.01
Aakaash Manufacturing Company Private Limited	**2.82**	2.13
	2.82	2.14
6 Buy back of shares		
Counto Microfine Products Private Limited	**-**	1.50

Particulars	As at December 31, 2019 ₹ in crore	As at December 31, 2018 ₹ in crore
H) **Outstanding balances with joint ventures**		
1 Amount receivable at the year end		
Counto Microfine Products Private Limited	**0.81**	0.64
Aakaash Manufacturing Company Private Limited	**0.96**	1.30
	1.77	1.94
2 Amount payable at the year end		
Counto Microfine Products Private Limited	**0.20**	0.63
Aakaash Manufacturing Company Private Limited	**14.06**	19.31
	14.26	19.94

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
II) **Transactions with related party**		
I) **Transactions with Key Management Personnel**		
1 Remuneration (Refer Note (a) below)		
Mr. Ajay Kapur	**7.19**	10.96
Mr. Bimlendra Jha	**6.49**	-
Mr. Suresh Joshi	**0.93**	2.76
Ms. Sonal Shrivastava	**1.30**	-
Mr. Rajiv Gandhi	**0.98**	1.07
	16.89	14.79
2 Break-up of remuneration		
Short term employment benefit	**10.57**	13.86
Post employment benefits	**3.73**	0.78
Other long term benefits	**2.59**	0.15
	16.89	14.79

Note 53 - Related party disclosure

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
3 Commission, sitting fees, advisory fees and other reimbursement	-	
Mr. N.S. Sekhsaria	0.54	0.56
Mr. Martin Kriegner (Refer Note (e) below)	-	0.05
Mr. Christof Hassig	0.22	0.24
Ms. Usha Sangwan	-	0.20
Mr. Nasser Munjee	0.42	0.45
Mr. Rajendra P. Chitale	0.54	0.57
Mr. Shailesh Haribhakti	0.43	0.43
Dr. Omkar Goswami	0.41	0.44
Mr. Haigreve Khaitan	0.10	0.43
Mr. Jan Jenisch	0.22	0.21
Mr. Roland Kohler	0.22	0.19
Ms. Then Hwee Tan	0.35	-
Mr. Mahendra Kumar Sharma	0.17	-
Ms. Shikha Sharma	0.31	-
Mr. Ranjit Shahani	0.18	-
Mr. Praveen Kumar Molri	0.17	-
Mr. B.L.Taparia	0.17	1.37
	4.45	5.14
Total	**21.34**	19.93

Notes:

a) Remuneration does not include :

i) Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Group basis are not included.

ii) Performance incentive for respective years, pending finalisation. Current year includes performance bonus related to performance of previous year.

b) Contribution to Ambuja Cements Limited Staff Provident Fund Trust and The Provident fund of ACC Limited :

The Group is required to contribute a specified percentage of the employee compensation for eligible employees towards provident fund. During the year, the Group contributed ₹ 6.57 crore (previous year - ₹ 4.65 crore) to "Ambuja Cements Limited Staff Provident Fund" and ₹ 25.64 crore (previous year - ₹ 22.71 crore) to "The Provident fund of ACC Limited".

c) Contribution to Ambuja Cements Limited Employees Gratuity Fund Trust and ACC limited Employees Group Gratuity scheme :

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Group has contributed ₹ 5.80 (previous year - ₹ 7.00 crore) towards "Ambuja Cements Limited Employees Gratuity Fund Trust" and ₹ 0.80 crore (Previous Year - ₹ 21.00 crore) towards "ACC limited Employees Group Gratuity scheme".

d) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group has not recorded any loss allowances for trade receivables from related parties (previous year: Nil).

e) Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 23rd October 2018.

Note 54 - Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Classification of financial assets and liabilities

₹ in crore

Particulars	Note	As at 31.12.2019		As at 31.12.2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
a) Measured at amortised cost					
Trade Receivables	15	**1,068.56**	1,068.56	1,304.54	1,304.54
Loans	11, 18	**240.91**	240.91	311.93	311.93
Investments in bonds	9	**3.70**	3.70	3.70	3.70
Cash and cash equivalents - certificates of deposits	16	**1,242.98**	1,242.98	836.10	836.10
Cash and cash equivalents - others	16	**6,357.65**	6,357.65	4,303.51	4,303.51
Bank balances other than cash and cash equivalents	17	**342.67**	342.67	346.17	346.17
Other financial assets (Refer Note 65)	12, 19	**1,338.30**	1,338.30	1,013.34	1,013.34
Total financial assets at amortised cost		**10,594.77**	10,594.77	8,119.29	8,119.29
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investment in liquid mutual funds	16	**1,411.25**	1,411.25	953.50	953.50
Investment in unquoted equity instruments	9	**-**	-	-	-
Total financial assets (a+b)		**12,006.02**	12,006.02	9,072.79	9,072.79
Financial liabilities					
a) Measured at amortised cost					
Trade payables	33	**2,332.88**	2,332.88	3,006.20	3,006.20
Other financial liabilities	27, 34	**1,720.16**	1,720.16	1,391.71	1,391.71
Interest free loan from State Government	26	**35.28**	30.41	39.68	27.17
Total financial liabilities at amortised cost		**4,088.32**	4,083.45	4,437.59	4,425.08
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	**0.09**	0.09	1.28	1.28
Total financial liabilities (a+b)		**4,088.41**	4,083.54	4,438.87	4,426.36

B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Financial assets measured at amortised cost		
Interest income	**376.84**	253.93
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	**49.48**	80.09
Net gain on fair valuation of liquid mutual fund	**3.17**	1.42
Financial liabilities measured at amortised cost		
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	**0.18**	9.48
Interest expenses on deposits from dealers	**58.70**	54.92
Financial liabilities measured at fair value through profit or loss		
Net Loss of on foreign currency forward contract	**(0.81)**	3.03
Net gain recognised in Consolidated Statement of Profit and Loss	**371.42**	268.01

Note 54 - Financial instruments

C) Fair value measurements

The Group uses the following hierarchy for determining and / or disclosing the fair value of financial instruments by valuation techniques :

a) Level 1

This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2

This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

c) Level 3

This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

D) For assets and liabilities which are measured at fair value, the classification of fair value calculations by category is summarized below:

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore	Level	Valuation techniques and key inputs
Financial assets					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	**1,411.25**	953.50	1	Investment in liquid and short term mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.
Investment in unquoted equity instruments (other than joint ventures and associates)	9	**-**	-		Using discounted cash flow method.
Financial liabilities					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	**0.09**	1.28	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Investment in unquoted equity instruments.

Note:

a) There was no transfer between level 1 and level 2 fair value measurement.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

In the opinion of Group the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the consolidated financial statement approximate their fair values largely due to the short-term maturities of these instruments.

Note 55 - Financial risk management objectives and policies

The Group has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Group's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarized below.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk a) interest rate risk b) currency risk and c) other price risk. Financial instruments are affected by market risk comprise deposits, investments, trade payables.

The Group is not an investor in equity market. The Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Group's investments are predominantly held in fixed deposits, liquid mutual funds (debt market) and certificates of deposit. Mark to market movements in respect of the Group's investments are valued through the consolidated statement of profit and loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the security deposit taken from its dealers.

Interest risk exposure

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Interest bearing		
Security deposit from dealers (Refer Note 34)	**1,148.00**	904.44
Non-interest bearing		
Current maturities of non-current borrowings (Refer Note 34)	**5.78**	-
Borrowings - Interest free sales tax loan (Refer Note 26)	**35.28**	39.68
Total	**1,189.06**	944.12
Interest rate sensitivities for unhedged exposure (Refer Note (a) below)		
Security deposit from dealers		
Impact of increase in 100 bps would decrease profit by	**11.48**	9.04
Impact of decrease in 100 bps would increase profit by	**(11.48)**	(9.04)

Notes:

a) Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities. The aim of the Group's approach to manage currency risk is to leave the Group with no material residual risk. The Group's is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

Note 55 - Financial risk management objectives and policies

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2019		As at 31.12.2018	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**3.30**	**0.04**	2.68	0.04
EURO	**5.37**	**0.07**	6.51	0.08
GBP	**0.23**	**-**	0.05	-
JPY	**0.29**	**0.44**	1.01	1.60
SEK	**0.82**	**0.11**	0.27	0.03
SGD	**-**	**-**	0.12	-
USD	**15.03**	**0.22**	56.96	0.84
CNY	**-**	**-**	0.89	0.09
Total	**25.04**		68.49	
Trade receivables, loans and other financial assets (Unhedged)				
CHF	**0.60**	**0.01**	0.17	-
DKK	**-**	**-**	0.01	-
EURO	**2.28**	**0.03**	6.32	0.06
GBP	**0.22**	**-**	0.01	-
JPY	**-**	**-**	1.90	3.01
SEK	**0.07**	**0.01**	0.24	0.03
SGD	**0.04**	**-**	0.22	-
USD	**9.13**	**0.13**	2.55	0.04
Total	**12.34**		11.42	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports	**36.21**	**0.50**	147.96	2.14

Foreign currency sensitivity on unhedged exposure - (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particulars	As at 31.12.2019		As at 31.12.2018	
	1 % strengthening of ₹	1 % weakening of ₹	1 % strengthening of ₹	1 % weakening of ₹
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**0.04**	**(0.04)**	0.03	(0.03)
EURO	**0.05**	**(0.05)**	0.96	(0.96)
GBP	**-**	**-**	-	-
JPY	**0.42**	**(0.42)**	0.01	(0.01)
SEK	**0.02**	**(0.02)**	-	-
SGD	**-**	**-**	-	-
USD	**0.17**	**(0.17)**	0.18	(0.18)
CNY	**-**	**-**	0.01	(0.01)
Increase / (Decrease) in profit	**0.70**	**(0.70)**	1.19	(1.19)

Note 55 - Financial risk management objectives and policies

Particulars	As at 31.12.2019		As at 31.12.2018	
	1 % weakening of ₹	1 % strengthening of ₹	1 % weakening of ₹	1 % strengthening of ₹
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade receivables, loans and other financial assets (Unhedged)				
CHF	**0.01**	**(0.01)**	-	-
DKK	**-**	**-**	-	-
EURO	**0.03**	**(0.03)**	0.07	(0.07)
GBP	**-**	**-**	-	-
JPY	**-**	**-**	0.02	(0.02)
SEK	**0.01**	**(0.01)**	-	-
SGD	**-**	**-**	-	-
USD	**0.13**	**(0.13)**	0.02	(0.02)
Increase / (Decrease) in profit	**0.18**	**(0.18)**	0.11	(0.11)

In the Group's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year / in future years.

c) Other price risk

Other price risk includes commodity price risk. The Company primarily imports coal, pet coke and gypsum. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has no significant concentration of credit risk with any counterparty.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Trade receivables (Refer Note 15)	**51.44**	28.83
Financial assets other than trade receivables		
Receivables which have significant increase in credit risk (Refer Note 11)	**32.69**	22.59
Long-term loans to joint operation (Refer Note 11)	**0.98**	0.89
Sub-total	**33.67**	23.48
Total	**67.34**	46.96

Financial assets other than trade receivables

The exposure to the Group arising out of this category consist of balances with banks, investments in liquid mutual funds (debt markets), incentives receivables from government and loans which do not pose any material credit risk. Such exposure is also controlled, reviewed and approved by the management of the Group on routine basis. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Credit risk on cash and cash equivalents, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Note 55 - Financial risk management objectives and policies

Total non-current investments (other than subsidiaries and joint venture) and investments in liquid mutual funds as on 31st December 2019 are ₹ 3.70 crore and ₹ 1,411.25 crore (31st December 2018 - ₹ 3.70 crore and ₹ 953.50 crore).

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Trade receivable

Trade receivables consist of a large number of customers. The Group has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. The exposure in credit risk arising out of major customers is generally backed either by bank guarantee, letter of credit or security deposits.

The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group.

The Group does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

The ageing analysis of trade receivables :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Up to 6 months	**991.77**	1,210.73
More than 6 months	**76.79**	93.81
Total	**1,068.56**	1,304.54

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Movement in expected credit loss allowance of trade receivable		
Balance at the beginning of the year	**28.83**	35.16
Add: provided during the year	**30.47**	9.48
Less : amounts utilised	**5.03**	9.77
Less : reversal of provisions	**2.83**	6.04
Balance at the end of the year	**51.44**	28.83
Movement in expected credit loss allowance of financial assets		
Balance at the beginning of the year	**23.48**	0.89
Add: provided during the year	**10.19**	22.59
Balance at the end of the year	**33.67**	23.48

C) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on undiscounted contractual payments.

Note 55 - Financial risk management objectives and policies

Particulars	Less than 1 year ₹ in crore	More than 1 year ₹ in crore	Total ₹ in crore
As at 31st December 2019			
Borrowings	**-**	**41.06**	**41.06**
Trade payables	**2,332.88**	**-**	**2,332.88**
Other financial liabilities (Refer Note (a) below)	**1,719.63**	**0.62**	**1,720.25**
Total	**4,052.51**	**41.68**	**4,094.19**
Cash and cash equivalents	**9,011.88**	**-**	**9,011.88**
As at 31st December 2018			
Borrowings	-	39.68	39.68
Trade payables	3,006.20	-	3,006.20
Other financial liabilities (Refer Note (a) below)	1,391.81	1.18	1,392.99
Total	4,398.01	40.86	4,438.87
Cash and cash equivalents	6,093.11	-	6,093.11

Note:

a) Other financial liabilities includes deposits received from customers amounting to ₹ 1,148 crore (previous year - ₹ 904.37 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

Note 56 - Standards issued but not yet effective

On 30th March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 "Leases". Ind AS 116 will replace Ind AS 17 "Leases" and its related interpretations. The new standard sets out the principles for recognition, measurement, presentation and disclosure of leases by both the parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the time this standard is first applied and a corresponding right-of-use-asset.

The Group intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period.

Leases that were accounted for as operating leases in accordance with Ind AS 17 "Leases", will be recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted using the lessee's incremental borrowing rate as at the date of initial application.

Furthermore, the Group has chosen the option whereby the right-of-use asset would equal the lease liability at the initial application of Ind AS 116.

Consolidated Balance sheet:

The Group is currently finalising the implementation of the Ind AS 116 standard, which is expected to translate as of 1st January 2020 into additional lease liabilities and right-of-use assets approximately ₹ 305 crore.

Consolidated Statement of Profit and Loss:

The Group estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹ 50 crore from the right-of-use assets. This will offset the reduction in operating lease expenses of around ₹ 63 crore per year, resulting in an overall increase in Earnings before interest and taxes (EBIT) of ₹ 15 crore. Finance costs are expected to increase by approximately ₹ 20 crore per year due to the interest recognised on lease liabilities.

Consolidated Statement of Cash Flows:

The Group estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹ 63 crore with a related decrease in cash flows used in financing activities of ₹ 63 crore which relates to lease payments.

Note 56 - Standards issued but not yet effective

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on 30th March 2019 which is effective from 1st January 2020.

a) **Ind AS 12 - Appendix C, "Uncertainty over Income Tax Treatments"**

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Group has used in tax computation or plan to use in their income tax filings. The Company has currently carried out an initial assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

b) **Ind AS 19 – "Plan amendment, curtailment or settlement"**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

c) **Amendments to Ind AS 28, "Investments to Associates and Joint Ventures"**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures.

d) **Amendments to Ind AS 109, "Financial Instruments"**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Consolidated Financial Statements.

Note 57 - Segment reporting

(Refer Note 3 (U) for accounting policy on segment reporting)

A) The principal business of the Group is of manufacturing and sale of cement and cement related products. All other activities of the Group revolve around its main business. The Executive Committee of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. CODM have concluded that there is only one operating reportable segment as defined by Ind AS 108 "Operating Segments", i.e. cement and cement related products.

B) Geographical Information

The Group operates in geographical areas - India (country of domicile) and others (outside India).

Particular		Revenues from customers		Non-current assets (Refer Note (a) below)	
		For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
a)	Within India	**26,536.90**	25,413.80	**24,659.29**	24,018.59
b)	Others (Refer Note (b) below)	**1.72**	5.10	**-**	3.91
	Total	**26,538.62**	25,418.90	**24,659.29**	24,022.50

Notes:

a) As per Ind AS 108 "Operating Segments", non current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

b) Sales outside India are in functional currency.

C) Information about major customers

During the year ended 31st December 2019 and 31st December 2018, there is no single customer contributes 10% or more to the Group's revenue.

Note 58 - Financial information in respect of joint ventures and associates that are not individually material

a) Interest in joint ventures

The Group has interest in the following joint ventures which it considers to be individually immaterial. The Group's interest in the following joint ventures are accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures, based on their financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

The Group's share in each joint ventures is as follows

Name of the joint ventures	2019 %	2018 %
Direct joint venture		
Counto Microfine Products Private Limited	**50.00%**	50.00%
Joint venture of a subsidiary		
Aakaash Manufacturing Company Private Limited	**40.00%**	40.00%

Aggregate information of joint ventures that are not individually material

Particulars	2019 ₹ in crore	2018 ₹ in crore
The Group's share of profit / (loss) from continuing operations	**7.00**	5.29
The Group's share of post tax profit (loss) from discontinued operations	**-**	-
The Group's share of other comprehensive income	**(0.06)**	0.02
The Group's share of total comprehensive income	**6.94**	5.31
The carrying amount of the investment	**42.89**	39.09

b) Interest in associates

The Group's interest in these associates is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associates, based on their financial statements, and reconciliation with the carrying amount of the investments in consolidated financial statements are set out below:

The Group's share in each associate is as follows:

Name of the associates	2019 %	2018 %
Associates of subsidiary		
Alcon Cement Company Private Limited	**40.00%**	40.00%
Asian Concretes and Cements Private Limited	**45.00%**	45.00%

Aggregate information of associates that are not individually material

Particulars	2019 ₹ in crore	2018 ₹ in crore
The Group's share of profit / (loss) from continuing operations	**12.97**	7.24
The Group's share of post tax profit (loss) from discontinued operations	**-**	-
The Group's share of other comprehensive income	**(0.06)**	(0.01)
The Group's share of total comprehensive income	**12.91**	7.23
The carrying amount of the investment	**102.98**	90.44

Note 59 - Financial information in respect of material partly-owned subsidiary

The Group has concluded that ACC Limited is the only subsidiary with material non-controlling interest. Financial information of subsidiary that has material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interest :

Name of the Company	Principal place of business	As at 31.12.2019	As at 31.12.2018
ACC Limited	India	**49.95%**	49.95%

The summarised financial information of ACC Limited is provided below.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Non-controlling interest in ACC Limited		
Total comprehensive income allocated to non-controlling interest	**663.05**	792.07
Accumulated balances of non-controlling interest	**5,732.35**	5,227.37
Summarised balance sheet of ACC Limited		
Non-current assets	**9,601.41**	9,371.51
Current assets	**7,534.57**	6,684.44
	17,135.98	16,055.95
Non-current liabilities	**890.82**	814.86
Current liabilities	**4,698.23**	4,706.16
Non-controlling interest of ACC Limited	**3.16**	3.03
	5,592.21	5,524.05
Equity attributable to owners of the parent	**11,543.77**	10,531.90
Dividends paid to non-controlling interest	**131.32**	140.70

Summarised statement of profit and loss

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2019 ₹ in crore
Income	**15,975.98**	14,944.28
Expenses		
Cost of materials consumed	**2,256.39**	2,368.17
Purchase of stock-in-trade	**361.69**	89.26
Changes in inventories of finished goods, work-in progress and stock-in-trade	**100.82**	(124.98)
Employee benefits expense	**866.11**	813.21
Finance costs	**86.27**	87.77
Depreciation and amortisation expense	**606.44**	603.22
Power and fuel	**3,134.01**	3,000.83
Freight and forwarding expense	**4,032.09**	3,992.82
Other expenses	**2,493.66**	2,543.82
Total expenses	**13,937.48**	13,374.12
Profit before share of profit of associates and joint ventures, exceptional items and tax expenses	**2,038.50**	1,570.16
Share of profit of associates	**14.02**	10.32
Profit before exceptional items and tax expenses	**2,052.52**	1,580.48
Exceptional items	**-**	70.37
Profit before tax	**2,052.52**	1,510.11
Tax expense	**674.98**	(10.51)
Profit for the year	**1,377.54**	1,520.62
Other Comprehensive Income	**(49.23)**	(4.84)
Total comprehensive income	**1,328.31**	1,515.78

Note 59 - Financial information in respect of material partly-owned subsidiary

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2019 ₹ in crore
Profit attributable to owners of the company	**1,377.41**	1,520.47
Profit attributable to non-controlling interest	**0.13**	0.15
Total comprehensive income attributable to owners of the company	**1,328.18**	1,515.63
Total comprehensive income attributable to non-controlling interest	**0.13**	0.15
Summarised cash flow statement of ACC Limited		
Cash flow from operating activities	**2,254.71**	1,117.54
Cash used in Investing activities	**(321.66)**	(364.44)
Cash used in financing activities	**(374.16)**	(380.46)
Net increase in cash and cash equivalents	**1,558.89**	372.64

Note 60 - Additional information as required by Paragraph 2 of the General Instructions for the preparation of consolidated financial statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity	Year	Share in net assets, (total assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income
Parent									
Ambuja Cements Limited	**2019**	**22,205.18**	**74.48%**	**1,528.54**	**54.92%**	**(4.39)**	**8.18%**	**1,524.15**	**55.84%**
	2018	21,012.53	76.13%	1,487.01	50.02%	2.09	-80.08%	1,489.10	50.14%
Subsidiaries - Indian									
ACC Limited (Standalone)	**2019**	**11,521.28**	**38.64%**	**1,358.91**	**48.83%**	**(48.98)**	**91.24%**	**1,309.93**	**47.99%**
	2018	10,527.66	38.14%	1,506.63	50.68%	(4.85)	185.82%	1,501.78	50.56%
M.G.T. Cements Private Limited	**2019**	**(0.01)**	**0.00%**	**(0.01)**	**0.00%**	**-**	**-**	**(0.01)**	**0.00%**
	2018	-	-	-	-	-	-	-	-
Chemical Limes Mundwa Private Limited	**2019**	**0.19**	**0.00%**	**(0.29)**	**-0.01%**	**-**	**-**	**(0.29)**	**-0.01%**
	2018	0.49	0.00%	(0.26)	-0.01%	-	-	(0.26)	-0.01%
Dirk India Private Limited	**2019**	**(32.59)**	**-0.11%**	**(0.52)**	**-0.02%**	**0.10**	**-0.19%**	**(0.42)**	**-0.02%**
	2018	(32.18)	-0.12%	(0.91)	-0.03%	0.17	-6.51%	(0.74)	-0.02%
OneIndia BSC Private Limited	**2019**	**14.37**	**0.05%**	**2.58**	**0.09%**	**(0.29)**	**0.54%**	**2.29**	**0.08%**
	2018	12.08	0.04%	3.19	0.11%	(0.03)	1.15%	3.16	0.11%
Subsidiaries - Foreign									
Dang Cement Industries Private Limited	**2019**	**-**	**-**	**(0.61)**	**-0.02%**	**-**	**-**	**(0.61)**	**-0.02%**
	2018	8.19	0.03%	(0.10)	0.00%	-	-	(0.10)	0.00%
Subsidiaries of Subsidiary - Indian									
Bulk Cement Corporation (India) Limited	**2019**	**57.74**	**0.19%**	**2.42**	**0.09%**	**-**	**-**	**2.42**	**0.09%**
	2018	55.32	0.20%	2.77	0.09%	-	-	2.77	0.09%
ACC Mineral Resources Limited	**2019**	**81.66**	**0.27%**	**6.94**	**0.25%**	**-**	**-**	**6.94**	**0.25%**
	2018	74.72	0.27%	4.32	0.15%	-	-	4.32	0.15%
Lucky Minmat Limited	**2019**	**(1.99)**	**-0.01%**	**(0.48)**	**-0.02%**	**-**	**-**	**(0.48)**	**-0.02%**
	2018	(1.51)	-0.01%	(0.48)	-0.02%	-	-	(0.48)	-0.02%
National Limestone Company Private Limited	**2019**	**0.06**	**0.00%**	**(0.39)**	**-0.01%**	**-**	**-**	**(0.39)**	**-0.01%**
	2018	0.45	0.00%	(0.23)	-0.01%	-	-	(0.23)	-0.01%
Singhania Minerals Private Limited	**2019**	**(0.35)**	**0.00%**	**0.05**	**0.00%**	**-**	**-**	**0.05**	**0.00%**
	2018	(0.40)	0.00%	0.04	0.00%	-	-	0.04	0.00%
Non-controlling interest in all subsidiaries	**2019**	**5,736.76**	**19.24%**	**688.16**	**24.73%**	**(24.59)**	**45.81%**	**663.57**	**24.31%**
	2018	5,231.19	18.95%	795.29	26.75%	(2.44)	93.49%	792.85	26.69%
Joint ventures - Indian (accounted for using equity method)									
Counto Microfine Products Private Limited	**2019**	**30.96**	**0.10%**	**7.24**	**0.26%**	**(0.01)**	**0.02%**	**7.23**	**0.26%**
	2018	25.55	0.09%	3.79	0.13%	-	-	3.79	0.13%

Name of the entity	Year	Share in net assets, (total assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income
Aakaash Manufacturing Company Private Limited	**2019**	**7.44**	**0.02%**	**(0.24)**	**-0.01%**	**(0.05)**	**0.09%**	**(0.29)**	**-0.01%**
	2018	13.54	0.05%	1.49	0.05%	0.03	-1.15%	1.52	0.05%
Associates of subsidiary - Indian (accounted for using equity method)									
Alcon Cement Company Private Limited	**2019**	**5.73**	**0.02%**	**0.98**	**0.04%**	**(0.06)**	**0.11%**	**0.92**	**0.03%**
	2018	18.11	0.07%	0.32	0.01%	(0.01)	0.38%	0.31	0.01%
Asian Concretes and Cements Private Limited	**2019**	**80.52**	**0.27%**	**11.99**	**0.43%**	**-**	**-**	**11.99**	**0.44%**
	2018	72.33	0.26%	6.92	0.23%	-	-	6.92	0.23%
Adjustments on consolidation	**2019**	**(9,892.20)**	**-33.18%**	**(822.11)**	**-29.54%**	**24.59**	**-45.81%**	**(797.52)**	**-29.22%**
	2018	(9,416.40)	-34.12%	(837.10)	-28.16%	2.43	-93.10%	(834.67)	-28.10%
Total equity	**2019**	**29,814.75**	**100.00%**	**2,783.16**	**100.00%**	**(53.68)**	**100.00%**	**2,729.48**	**100.00%**
	2018	27,601.67	100.00%	2,972.69	100.00%	(2.61)	100.00%	2,970.08	100.00%

Note:

a) The above figures are before eliminating intra group transactions and intra group balances.

Note 61 - Goodwill on consolidation

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Carrying amount as at beginning of the year	**7,881.49**	7,881.49
Impairment during the year	**-**	-
Net carrying value as at end of the year	**7,881.49**	7,881.49
Goodwill has been generated on account of the following acquisition over the years :		
ACC Limited (including its subsidiaries) (Refer Note (a) below)	**7,858.30**	7,858.30
Dirk India Private Limited	**19.29**	19.29
MGT Cements Private Limited	**2.72**	2.72
Chemical Limes Mundwa Private Limited	**1.18**	1.18
Total	**7,881.49**	7,881.49

Notes:

a) In respect of goodwill arising on acquisition of ACC Ltd (including its subsidiaries), for the purpose of impairment testing, the recoverable amount is determined based on fair value less cost of disposal as per the requirement of Ind AS 36. The fair value is computed based on market share price of equity share of ACC Limited, quoted on the stock exchange.

b) Based on the Group's assessment there is no impairment of goodwill.

Note 62 - Exceptional items

Exceptional items for the year ended 31st December 2018 represents charge for separation schemes for employees.

Note 63 - Coal Block

ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment of Supreme Court dated 25th August 2014 read with its order dated 24rd September 2014. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated 23rd March 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to 31st March 2014. The Hon'ble Delhi High Court issued its judgment on 9th March 2017 wherein the court has said that "whatever has transpired after 31st March 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim has been filed with Ministry of Coal for re-imbursement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.

Note 64 - Notes related to Material subsidiary, ACC Limited

a) ACC Limited, a subsidiary of the Company, has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹ 16.24 Crore (31st December 2018 ₹ 20.63 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease. (Refer Note 52)

b) ACC Limited, a subsidiary of the Company, has arrangement with a Joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready Mix Concrete to customer of ₹ 85.34 Crore (31st December 2018 ₹ 87.91 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

Note 65 - Reclassification of certain Incentives Receivable from Government included under Financial Asset

Consequent to clarification issued by The Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India, the Group has evaluated the classification of incentives in the financial statements. Considering that the Group has complied with the conditions attached to the scheme and is entitled to the incentives as per the scheme, accrued Incentives Receivable under Government Schemes mainly in the form of GST / VAT refunds from the various state governments falls under the definition of financial instrument (Refer Notes 12 and 19). Accordingly, the Group has reclassified the said receivables from non-financial assets to financial assets as per Ind AS 109. Consequently, all comparative periods presented have been reclassified as per current year presentation. The Group believes that the reclassification has no material effect on the information in the Balance Sheet.

Note 66 - Share Based Payment

Description of plan - LafargeHolcim Performance Share Plan

LafargeHolcim Ltd (Ultimate Holding Company) set up a performance share plan. Performance shares are granted to executives, senior management and other employees for their contribution to the continuing success of the business. These shares will be delivered after five year vesting period following the grant date and are subject to internal and external performance conditions.

15,000 performance share at fair value of ₹ 3,405 per share were granted in 2019. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC). During the year, ₹ 1.16 Crore (previous year – ₹ Nil) is charged to the Consolidated Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Group by the Parent.

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

Note 67

Figures below 50,000 have not been disclosed.

Note 68

Figures for the previous year have been regrouped / reclassified wherever necessary, to conform to current year's classification.

The accompanying notes are integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

Sonal Shrivastava Chief Financial Officer	**N.S. Sekhsaria** Chairman & Principal Founder DIN - 00276351	**Rajendra P. Chitale** Chairman - Audit Committee DIN - 00015986	**Martin Kriegner** Director DIN - 00077715	**Shailesh Haribhakti** Director DIN - 00007347
Rajiv Gandhi Company Secretary	**Shikha Sharma** Director DIN - 00043265	**Omkar Goswami** Director DIN - 00004258	**Christof Hassig** Director DIN - 01680305	**Ranjit Shahani** Director DIN - 00103845
	Mahendra Kumar Sharma Director DIN - 00327684	**Roland Kohler** Director DIN - 08069722		
	Bimlendra Jha Managing Director & Chief Executive Officer DIN - 02170280			

Mumbai, 20th February, 2020

AMBUJA CEMENTS LIMITED

Registered Office: P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715
Corp. Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai 400 059,
CIN: L26942GJ1981PLC004717 Email: shares@ambujacement.com
Website: www.ambujacement.com

Notice

NOTICE is hereby given that the THIRTY SEVENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, 9th April, 2020 at 10.30 a.m. at the Registered Office of the Company at P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715, to transact the following business:-

Ordinary Business

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st December, 2019, together with the Reports of the Directors and the Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2019 and the Report of the Auditors thereon.
2. To declare Dividend on equity shares for the financial year ended 31st December, 2019.
3. To appoint a Director in place of Mr. Jan Jenisch (DIN: 07957196), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Martin Kriegner (DIN: 00077715), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Christof Hassig (DIN: 01680305), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

6. Payment of Commission to Non-Executive Directors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, as amended from time to time, the Non-Executive Directors of the Company (i.e. directors other than Managing Director and/or the Whole-time Director(s)) be paid, remuneration in such amounts or proportions and in such manner, in addition to the sitting fee for attending the meeting of the Board or Committees thereof, and in all respects as the Board of Directors (which includes any committee thereof) may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, for a period of five years, commencing from 1st January, 2020 as computed in the manner laid down in Section 198 of the Companies Act, 2013 or such other percentage as may be specified by the Act from time to time in this regard."

7. Appointment of Mr. Neeraj Akhoury (DIN: 07419090) as a Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Neeraj Akhoury (DIN: 07419090) who was appointed as an Additional Directorof the Company w.e.f. 21st February, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Article of Association of the Company and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and being eligible, offers himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Akhoury's candidature for the office of the Director, be and is hereby appointed as a Director of the Company, with effect from the date of this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. Appointment of Mr. Neeraj Akhoury (DIN: 07419090) as the Managing Director & CEO

To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded for the appointment of Mr. Neeraj Akhoury (DIN: 07419090) as

the Managing Director and Chief Executive Officer (CEO) of the Company, for a period of 5 (five) years with effect from 21st February, 2020 upto 20th February, 2025 upon the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Mr. Neeraj Akhoury."

"RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and is hereby authorized to revise the remuneration of Mr. Akhoury from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. Ratification of remuneration to the Cost Auditors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P.M. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed as the Cost Auditors of the Company by the Board of Director for the conduct of the audit of the cost records of the Company for the financial year 2020 at a remuneration of ₹ 10,00,000 (Rupees Ten Lacs) per annum plus reimbursement of the travelling and other out-of- pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place: Mumbai
Date: 20th February, 2020

Notes:-

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business under Item nos. 6 to 9 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') entered with the Stock Exchanges and Secretarial Standard on General meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.

2. The requirement to place the matter relating to the appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 34th Annual General Meeting held on 31st March, 2017.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.**

   A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

   Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be made available at the AGM venue.

6. The Record Date for payment of dividend has been fixed as Tuesday, 7th April 2020.

7. **Dividend :** The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on Tuesday, 7th April, 2020 as per the downloads furnished to the Company by Depositories for this purpose, In physical mode, if their names appear in the Company's register of members as on Tuesday, 7th April, 2020.

8. Pursuant to Section 101 and 136 of the Act read with the relevant Rules made thereunder, Regulation 36 of Listing

Regulations and SS-2, the copy of the Annual Report including Financial statements, Board's report and Annexures thereto etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to shares@ambujacement.com mentioning your Folio/DP ID & Client ID.

Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2019 will also be available on the Company's website www.ambujacement.com for their download.

All the documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 10.00 a.m and 1.00 p.m. up to the date of Annual General Meeting.

9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

11. **Green Initiative :** To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

12. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

13. **Submission of PAN:** Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-

    a) Transferees and Transferors PAN Cards for transfer of shares,

    b) Legal Heirs'/Nominees' PAN Card for transmission of shares,

    c) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and

    d) Joint Holders' PAN Cards for transposition of shares.

14. **Bank Account Details:** Regulation 12 and Schedule I of SEBI Listing Regulation requires all companies to use the facilities of electronic clearing services for payment of dividend. In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.

15. **Share Transfer permitted only in Demat :** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.

16. **Shareholders' Communication:** Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address:

    LINK INTIME INDIA PVT. LTD. (Unit: Ambuja Cements Ltd.) C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083. Tel. No. (022) 4918 6000 Fax No. (022) 4918 6060.

    If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

17. **Unclaimed/Unpaid Dividend :** Pursuant to Section 124 of the Companies Act, 2013, the unpaid dividends that are due to transfer to the Investor Education and Protection Fund(IEPF) are as follows:

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
Financial 2012 (Final)	07.02.2013	06.05.2020
Financial 2013 (Interim)	24.07.2013	26.08.2020
Financial 2013 (Final)	06.02.2014	11.05.2021
Financial 2014 (Interim)	24.07.2014	22.08.2021
Financial 2014 (Final)	18.02.2015	06.05.2022
Financial 2015 (Interim)	27.07.2015	30.08.2022
Financial 2015 (Final)	10.02.2016	12.04.2023
Financial 2016 (Interim)	26.07.2016	29.08.2023
Financial 2016 (Final)	20.02.2017	29.04.2024
Financial 2017 (Interim)	24.07.2017	29.08.2024
Financial 2017 (Final)	20.02.2018	15.07.2025

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ its Registrar, for obtaining payments thereof atleast 30 days before they are due for transfer to the said fund.

Any member, who has not claimed final dividend in respect of the financial year ended 31st December, 2012 onwards is requested to approach the Company/ the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 31st March, 2020 for final dividend of F.Y. 2012 and 30th June, 2020 for interim dividend of F.Y. 2013.

The Company has already sent reminders to all such members at their registered addresses for claiming the unpaid/unclaimed dividend, which will be transferred to IEPF in the due course.

18. **Compulsory transfer of Equity Shares to IEPF Account:** Pursuant to Section 124 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority(Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF.

    During the Financial year 2019, unclaimed final dividend for the Financial year 2011 aggregating to ₹ 1,10,77326/- and interim dividend for Financial year 2012 aggregating to ₹ 81,67,049/- and the 332545 Equity shares in respect of which dividend entitlements remained unclaimed for 7 consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund established by Central Government (IEPF).

    Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Information on the procedure to be followed for claiming the dividend /shares is available on the website of the company http://www.ambujacement. com/investors/ transfer-of-unpaid-and-unclaimed- dividends-and-shares-to-iepf.

19. Route Map showing directions to reach to the venue of the 37th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings."

20. **Webcast:** Pursuant to Regulation 44(6) of the SEBI Listing Regulations, the Company is pleased to provide the facility of live webcast of proceedings of the 37th AGM of the Company from 10.30 a.m. onwards on Thursday, 9th April, 2020. Members can view the proceedings of AGM by logging on the evoting website of CDSL www.evotingindia.com using their secure login credentials. Members are encouraged to used this facility of webcast.

21. **Voting:-**

    All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely 2nd April, 2020 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

I. Voting Through Electronic Means

1. Pursuant to Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided e-voting facility to the members using the Central Depository Services (India) Ltd. (CDSL) platform. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting).

2. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

3. The Company has appointed Mr. Surendra Kanstiya Associates, Practicing Company Secretary, to act as the Scrutiniser to scrutinise the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

4. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the company's website www.ambujacement. com and on the website of CDSL www.evotingindia. com and the same shall also be communicated to BSE Limited and NSE, where the shares of the Company are listed.

5. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 2nd April, 2020 may obtain the login details in the manner as mentioned below.

    The instructions for shareholders voting electronically are as under:

    (i) The voting period begins on Monday, 6th April, 2020 at 10:00 a.m. and ends on Wednesday, 8th April, 2020 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd April, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders/Member.

    (iv) Now Enter your User ID

        a) For CDSL: 16 digits beneficiary ID,

        b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

        c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (v) Next enter the Image Verification as displayed and Click on Login.

    (vi) If you are holding shares in demat form and had logged on to www.evotingindia. com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/ mm/ yyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia. com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@ cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk. evoting@ cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked

Questions ("FAQs") and e-voting manual available at www. evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. Voting Through Ballot:-

The Company is providing the facility of ballot form in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, 2015 to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form and the instruction are enclosed along with the Annual Report.

The last date for receiving the ballot form will be 2nd April, 2020 at 5.00 p.m. Ballot forms received after this date shall not be considered.

III. Voting at AGM:-

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM.

A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes by all the three modes, then the vote casted through e-voting shall prevail and the vote casted through other means shall be treated as invalid.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 6 to 9 of the accompanying Notice dated 20th February, 2020.

In respect of item No. 6

At the Annual General Meeting of the Company held on 8th April, 2015, the Members had approved of the payment of commission to the Directors of the Company (other than the Managing Director and Whole-time Director(s)) not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from 1st January, 2015.

According to Section 197 of the Companies Act, 2013 the approval of the Members is required for the payment of commission to the non-executive directors (director other than MD/WTD) upto 1% of the Net profits of the Company.

Further, as per the provisions of Regulation 17(6)(a) of the Listing Regulation (as in force for the time being), all fees/compensation payable to non-executive directors, including Independent Directors shall require approval of the shareholders at General Meeting.

Accordingly, it is proposed to seek fresh approval of the Members of the Company by way of an Ordinary Resolution as required under Section 197 of the Companies Act, 2013 and also under the Listing Regulations for payment of commission for a period of 5 years commencing from 1st January, 2020, at the rate not exceeding 1% (one percent) of the net profits of the Company for each Financial year computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board (which includes any committee thereof). The above remuneration shall be over and above the sitting fees paid to the Directors for attending the meeting of the Board and/or Committees thereof.

The Board recommends passing of enabling resolution for the payment of commission as aforesaid, for your approval.

All the Directors of the Company except the Managing Director & CEO and the Key Managerial Personnel and Mr. Martin Kriegner (who has waived his right to receive Commission and sitting fees) and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice to the extent of the remuneration that may be received by each of them.

In respect of item No. 7 & 8

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Neeraj Akhoury (DIN: 07419090) as an Additional Director of the Company under Section 161(1) of the Act and Article 122 of the Articles of Association, with effect from 21st February, 2020. In terms of Section 161(1) of the Act, Mr. Neeraj Akhoury holds office only upto the date of the forthcoming AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Akhoury's appointment as a Director.

The Board has also appointed Mr. Akhoury as the Managing Director & CEO of the Company for a period of five years from 21st February, 2020 upto 20th February, 2025, upon the terms & conditions hereinafter indicated, subject to approval of the Members.

Mr. Neeraj Akhoury, aged 52 years, is a graduate in Economics from Allahabad University and MBA from the University of Liverpool. He has also studied one-year General Management Program at XLRI Jamshedpur. He is also an alumunus of Harvard Business School. He began his career in 1993 at Tata Steel, working in sales, marketing and logistics in both cement and steel division and also as Executive Assistant to Head of Sales. He joined Lafarge India in 1999 and worked as member of the Executive Committee responsible for corporate affairs followed by sales. Mr Akhoury was also the Chief Executive Officer of LafargeHolcim Bangladesh and was also based in Paris as Director for Strategy and Business Development, HR and acquisition of raw material sources for Middle East and African region. He has also served as Managing Director of Lafarge Nigeria.

Prior to joining the Company Mr. Neeraj Akhoury was the MD and CEO of ACC Limited and a member of LafargeHolcim's global Senior Leadership Group. He is known for breadth and depth of leadership experience and has delivered results across continents. He is a strategic thinker, switching between long term vision and short-term orientation, delivering performance with accountability, courage, energy and integrity. Mr. Akhoury is also recognized in the Group for his approach of building effective and diverse teams through empowerment and motivation, acting as a role model and demonstrating strong communication skills.

Brief resume of Mr. Akhoury, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to this notice.

The principal terms and conditions of appointment of Mr. Neeraj Akhoury as the Managing Director & CEO (hereinafter referred to as the 'MD & CEO') is as follows:

1. Period of Appointment

Five years commencing from 21st February, 2020, the date of appointment.

2 Remuneration:

In consideration of the performance of his duties, the Company shall pay to Mr. Neeraj Akhoury the fixed gross remuneration (other than the PF, Superannuation and Gratuity) of ₹ 5,42,48,292/- (Rupees Five Crore Forty Two Lacs Forty Eight Thousand Two Hundred Ninety Two only) per annum with such increments as may be approved by the Board of Directors (which includes any Committee thereof) from time to time. The gross remuneration shall be categorized as follows:

(a) Basic Salary:

₹ 2,31,33,600/- (Rupees Two Crore Thirty One Lacs Thirty Three Thousand Six Hundred only) per annum, ₹19,27,800/- (Rupees Nineteen Lacs Twenty Seven Thousand Eight Hundred only) per month.

The increment as and when approved by the Board shall be merit based and will take into account the performance as MD & CEO as well as that of the Company. The first such increment will be effective from 1st April, 2021 , on the Remuneration i.e. Basic salary and Allowances as mentioned.

(b) Allowances & Perquisites:

The Company follows the Flexible Allowances Structure for all its employees that enables its employees to decide the salary components other than the basic salary within the gross remuneration of the employee concerned.

In line with the above structure, Mr. Neeraj Akhoury will be paid ₹ 3,11,14,692/- (Rupees Three Crore Eleven Lacs Fourteen Thousand Six Hundred Ninety Two only) per annum on account of other allowances like House Rent Allowance (HRA), Soft Furnishing Allowance, Leave Travel Concession (LTC), Medical Reimbursement, Special Allowance etc. as may be decided by him following the flexible allowance structure of the Company.

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

(i) Club Membership

Reimbursement of membership fee for one club in India including admission and annual membership fee.

(ii) Mediclaim and Personal Accident Insurance

Mediclaim and Personal Accident Insurance Policy for such amount as per the rules of the Company.

(iii) Contribution to Provident Fund

The Company's contribution to Provident Fund as per the applicable laws, which presently is 12% of Basic Salary.

(iv) Gratuity

Gratuity at the rate of 15 days Basic Salary earned for each completed year of service as per the rules of the Company. The service tenure of Mr Akhoury with ACC Limited (subsidiary of the Company)shall be recognized and considered in continuity with his tenure with the Company for the purpose of Gratuity as payable under the Payment of Gratuity Act 1972.

(v) Superannuation Fund

The Company's contribution to the Superannuation Fund will be 15% of basic salary with an option to encash superannuation benefit as monthly cash allowance.

(vi) Leave

Entitled for leave with full pay or encashment thereof as per the rules of the Company.

(vii) Other perquisites

Subject to overall ceiling on remuneration mentioned herein below, Mr. Neeraj Akhoury may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

Explanation:

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

(c) Performance Incentive:

Performance Incentive of such amount, not exceeding 100% of the earned Basic Salary and Allowances stated above, subject to performance conditions for each Corporate Financial year or part thereof as may be decided by the Board of Directors (which includes any Committee thereof).

In addition to the above, Mr Akhoury will continue to be entitled to additional Performance Incentive as was approved by the Board of Directors of ACC Limited (being a subsidiary of the Company), subject to his continued and consistent good performance during his tenure with the Company, which shall be payable as follows:

Payment Date	Amount (in Indian National Rupees)
Pro-rated for the period 21st February, 2020 till 31st March, 2020	16,25,000
End of September, 2020	75,00,000
End of March, 2021	75,00,000
End of September, 2021	75,00,000
End of January, 2022	75,00,000

(d) LafargeHolcim Performance Shares:

Mr. Neeraj Akhoury shall be eligible to participate in the Long Term incentive Plan of LafargeHolcim Limited (LH), pursuant to which he will be granted such number of Shares of LH (Performance Shares) from time to time as per the said incentive plan and shall continue to hold such shares as have been granted during his tenure at ACC Limited. The cost of such shares shall be borne by LafargeHolcim Ltd.

(e) Amenities:

(i) Conveyance facilities

The Company shall provide suitable vehicle to the Managing Director & CEO. All the repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

(ii) Telephone internet and other communication facilities

The Company shall provide telephone, mobile, internet and other communication facilities at the Managing Director & CEO's residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

C. Overall remuneration:

The aggregate of salary, allowances, perquisites and performance bonus in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

D. Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director & CEO, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

3. Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.

4 Continuity of Service

Mr Neeraj Akhoury's tenure with ACC Limited (being a subsidiary of the Company) shall be taken into consideration for the purposes of seniority and any other benefits that accrue out of his service tenure.

5 Accumulated Leaves

Mr Akhoury's earned leaves that have been accumulated during his tenure with ACC Limited (being a subsidiary of the Company) as of 20th February, 2020 shall stand credited as part of leave accumulation during his tenure with the Company.

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

7. Mr. Akhoury's appointment as MD & CEO of the Company is by virtue of his employment in the Company and his appointment will be subject to the provisions of Sections 167(1), 197, 198, 203 and other applicable provisions of the Companies Act, 2013, read with Rules thereunder and Schedule V to the said Act or any modifications or re-enactment for the time being in force. So long as Mr. Akhoury continues to occupy the position of MD & CEO, he will not be a Director liable to retire by rotation.

8. Powers & Responsibilities as the Managing Director and CEO

(a) As the Managing Director and CEO (MD & CEO), Mr Neeraj Akhoury will carry out such functions, exercise such powers and perform such duties as the board of directors of the company ('hereinafter called 'the Board') shall from time to time in its absolute discretion determine and entrust to him, subject, nevertheless to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.

(b) Subject to the superintendence, control and direction of the Board, MD & CEO shall (i) have the general control of the business of the Company and be vested with the Management and day to day affairs of the Company (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business and (iii) have the authority to do and perform all other acts, deeds, matters and things which in the ordinary course of such business be considered necessary or proper in the best interests of the Company.

(c) MD & CEO will, to the best of his skill and ability, endeavor to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and also such orders and directions as may from time to time be given to him by the Board.

(d) MD & CEO shall at all times act in the best interests of the Company and all its stakeholders (including its minority shareholders) and keep the Board informed of any developments or matters that have materially impaired or are reasonably likely to materially impair the interests of the Company and/or any of its stakeholders.

(e) The MD & CEO shall devote the whole of his time, attention and abilities to manage the business of the Company and shall use his best endeavour to promote its interest and welfare. He shall not engage directly or indirectly in any other business, occupation or employment, provided, however, he may with the prior approval of the Board hold Directorship in other companies and /or provide services to other group companies.

9. During the currency of this Agreement, MD & CEO shall not directly or indirectly engage himself in any other employment, business or occupation of whatsoever nature. However, he may with the prior approval of the Board of Directors, hold Directorship in other companies and/or provide services to other group companies.

10. MD & CEO will not be entitled to supplement his earnings under this Agreement with any buying or selling commission. He will give an undertaking to the Company that so long as he functions as the MD & CEO of the Company he will not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency of the Company. He will cease to be the MD & CEO immediately upon any contravention of this undertaking.

11. The terms & conditions of appointment and the payment of remuneration to MD & CEO may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard and within the overall approval given by the Shareholders.

12. (i) The appointment Agreement may be terminated either by the Company or by Mr Neeraj Akhoury by giving 6 (six) months' notice in writing at the end of a calendar month to the other party or the payment of salary in lieu thereof.

    (ii) Either party may also terminate the appointment Agreement upon notice in writing to the other party:

        (a) in the event that the other party materially breaches this Agreement and has not remedied such breach (if capable or remedy) within 14 days of having been notified of the breach or;

        (b) in accordance with applicable law.

    (iii) Both parties reserves the right to terminate the Agreement without notice for "Due Cause".

    For the purpose of the appointment Agreement, Due Cause means: an event such as grave or repeated violations of any relevant contractual obligations, guidelines or instructions; intentionally or negligently causing damage or injury to the other party; the acceptance of commissions or bribes in any form; any behavior that seriously damages LafargeHolcim, the Company or the Employee's reputation; the commission of serious offences against applicable law; or repeated failure to perform basic responsibilities despite having fair opportunity to rectify such failure to perform.

13. If at any time the MD & CEO ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the MD & CEO and his Employment Agreement with the Company shall stand terminated forthwith. Similarly, if at any time the MD & CEO ceases to be in the employment of the Company for any cause/ reason whatsoever, he shall cease to be a Director of the Company.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Neeraj Akhoury under Section 190 of the Act.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Neeraj Akhoury's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolutions at Item No. 7 and 8 of this Notice relating to his appointment as a Director and as the MD & CEO of the Company for a period of five years w.e.f. 21st February, 2020 upto 20th February, 2025 as an Ordinary Resolutions for your approval.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Except, Mr. Neeraj Akhoury, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 7and 8 of the Notice. Mr. Akhoury is not related to any other Director or KMP of the Company.

In respect of item No. 9

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M/s. P.M. Nanabhoy & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2020 at a remuneration of ₹ 10,00,000/-(Rupees Ten Lacs) per annum plus reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified subsequently by the Members, in accordance with the provisions of the Act and Rule 14 of the Rules.

Accordingly, the Board recommends the Ordinary Resolution at item no. 9 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 9 of the Notice.

By Order of the Board of Directors

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place: Mumbai
Date: 20th February, 2020

ANNEXURE TO ITEMS. 3 to 5, 7 & 8 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Jan Jenisch	Mr. Martin Kriegner	Mr. Christof Hassig	Mr Neeraj Akhoury
Date of Birth	2nd September, 1966	6th September, 1961	25th April, 1958	17th September 1968
Nationality	German	Austrian	Swiss	Indian
Date of Appointment on the Board	24th October, 2017	11th February, 2016	9th December, 2015	21st February 2020
Qualifications	MBA from University of Fribourg, Switzerland	Doctorate of Law and MBA from Austrian University	Masters in Banking, Advanced Management Program from Harvard Business school	Graduate in Economics, Management program from XLRI, General Management Program from Harvard Business school
Expertise in specific functional area	Operations and Management	Operations, Finance and General Management	M & A, Corporate Finance & Treasury	Strategy and Business Development,Sales and Marketing,logistics, CSR.
Number of shares held in the Company	Nil	Nil	Nil	Nil
List of the directorships held in other companies*	ACC Ltd.	ACC Ltd.	ACC Ltd.	ACC Ltd Bulk Cement Corporation (India) Ltd. Holcim Services (South Asia) Ltd
Number of Board Meetings attended during the year 2019	4 of 5	5 of 5	4 of 5	Not applicable
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairman : Nil Member : Nil	Chairman : Nil Member : 1. ACC Limited - Audit Committee	Chairman : Nil Member : 1. ACC Limited -Stakeholders Committee	Nil
Relationships between Directors inter-se	None	None	None	None
Remuneration details (Including Sitting Fees & Commission)	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report	Not applicable

* Directorship includes Directorship of Public Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

Route Map - AGM

1. **From Diu - Airport to Ambujanagar**

   The approximate distance from Diu Airport to Ambujanagar is 45-50 KM by road. Ample Taxis are available at the Airport. Time taken is approximately 1 hour.

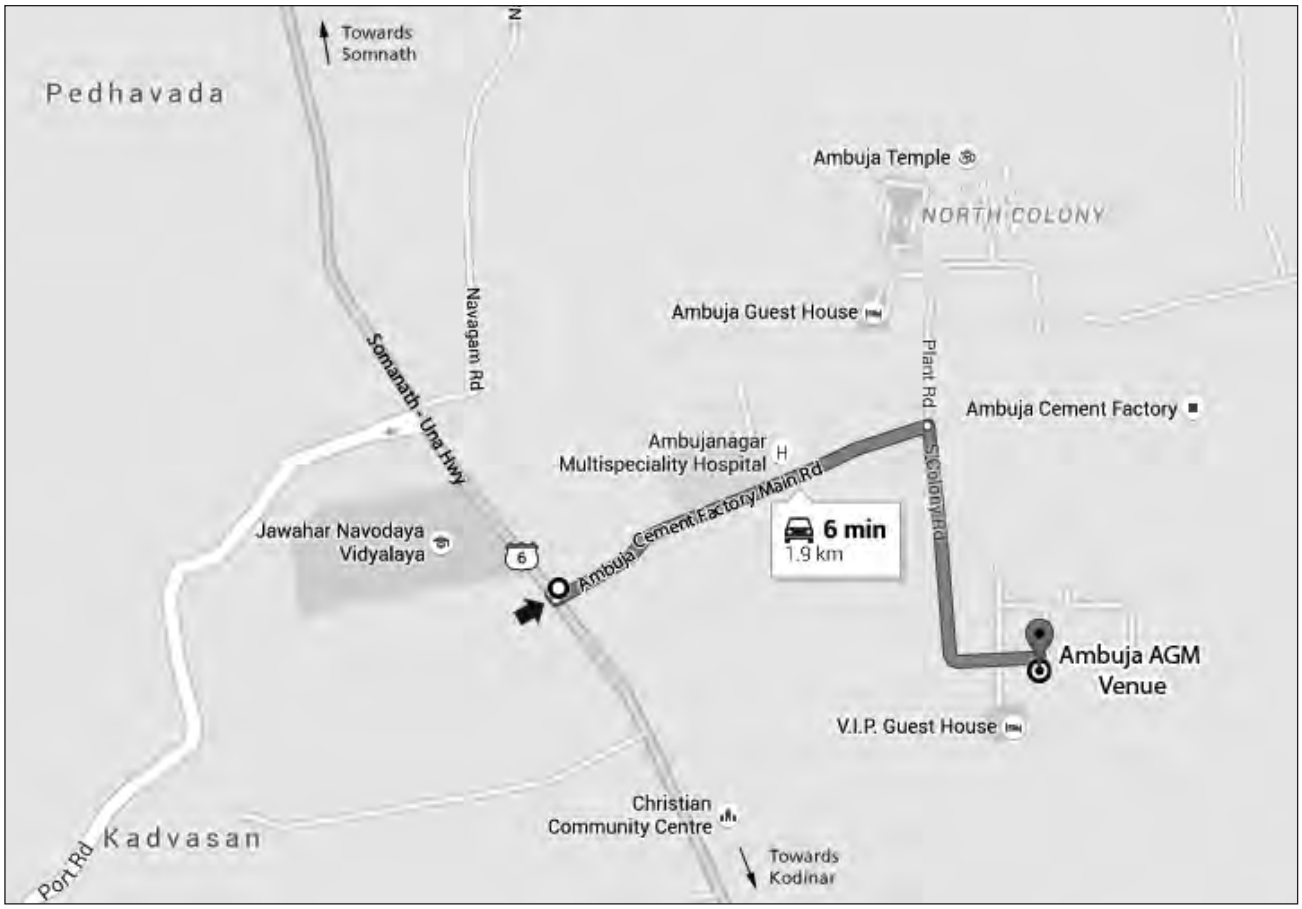
2. **Veraval Railway station to Ambujanagar**

   The approximate distance from Veraval to Ambujanagar is about 45/50 KM by road. Local Taxis are available at the Railway Station. State transport buses are also available. Time taken is approximately 1 hour.

3. **Kodinar to Ambujanagar**

   The distance from Kodinar to Ambujanagar is about 8 KM by road. Ample public transport is available from Kodinar to Ambujanagar. Time taken is approximately 15/20 Minutes.

4. **Road Map from Highway entry point - Ambujanagar to Meeting Venue**



TO,
LINK INTIME INDIA PVT. LTD.
Unit: Ambuja Cements Ltd.
C-101, 247 Park, L B S Marg,
Vikhroli (West),
Mumbai – 400 083.

UPDATION OF SHAREHOLDER INFORMATION

I/We request you to record the following information against my/our folio no.

I) General Information

Folio No.		
Name of the first named Shareholder	:	
PAN *	:	
CIN/Registration no.*	:	
(in case of Corporate Shareholders		
Tel. No. with STD Code	:	
Mobile No.	:	
Email ID	:	

* Self attested copy of the documents enclosed

II) Bank Details

IFSC (11 digit Code)	
MICR (9 digit)	
Bank A/c. type	
Bank Account No.@	
Name of the Bank	
Bank Branch Address	

@ a blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. I/We undertake to inform any subsequent changes in the above particulars as and when the changes takes place. I/We understand that the above details shall be maintained till I/we hold the securities under the above mentioned folio no.

Place :

Date : Signature of Sole/First Holder

Ambuja Cement

Ambuja Cements Limited

CIN L26942GJ1981PLC004717

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

Corporate Office: Elegant Business Park, MIDC Cross Road "B", Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059

Tel. 022-4066 7000, E mail - shares@ambujacement.com, Website: www.ambujacement.com

ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting of the Company held on Thursday, the 9th April, 2020 at 10.30 a.m.

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

Folio No. .....DP ID No ..... Client ID No.....

Name of the Member ..... Signature .....

Name of the Proxyholder ..... Signature .....

1. Only Member/Proxyholder can attend the Meeting
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting

TEAR HERE

Ambuja Cement

Ambuja Cements Limited

CIN L26942GJ1981PLC004717

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

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TEAR HERE

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered address : .....

..... E-mail Id : .....

Folio No. / Client ID No. : ..... DP ID No. .....

I/We, being the member(s) of ..... shares of Ambuja Cements Limited, hereby appoint

1. Name :	.....
Address :	.....
	.....
E-mail ID :	..... Signature : .....

or failing him

2. Name :	.....
Address :	.....
	.....
E-mail ID :	..... Signature : .....

or failing him

3. Name :	.....
Address :	.....
	.....
E-mail ID :	..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 9th April, 2020 at 10.30 a.m. at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. (☐)

1	
2	
3	
4	
5	
6	
7	
8	
9	

Signed this ..... day of 2020

Affix
₹ 1
Revenue
Stamp

Signature of Shareholder ..... Signature of Proxyholder.....

NOTES:

1 This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 not less than 48 hours before the commencement of the Meeting.

2 Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

Ambuja Cement

Head Office:
Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road,
Andheri (East), Mumbai – 400 059, India.
Tel.: 022 6616 7000 / 4066 7000
www.ambujacement.com