

Ambuja Cement

ACL:SEC:

17th March 2021

Bombay Stock Exchange Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023 Scrip Code: 500425	National Stock Exchange of India Ltd., Plot No.C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400 051 Scrip Code: AMBUJACEM
Deutsche Bank Trust Company Americas Winchester House 1 Great Winchester Street London EC2N 2DB, Ctas Documents <ctas.documents@db.com	Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P 165 "Luxembourg Stock Ex-Group ID " <ost@bourse.lu

Dear Sirs,

Sub: Electronic copy of the Notice of the 38th Annual General Meeting ("AGM") along with Annual Report for the year 2020 and Intimation of cut-off date of Friday, April 02, 2021 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during AGM.

Pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform that the 38th Annual General Meeting ("AGM") of the Company will be held on Friday, April 09, 2021 at 12.00 noon through Video Conferencing/Other Audio Visual Means ("VC/OAVM") Facility.

We are enclosing the electronic copy of the Notice of the AGM along with the Annual Report, sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM along with Annual Report to the Members have been dispensed with vide MCA and SEBI Circulars. The Notice of the AGM along with Annual Report are also being uploaded on the website of the Company at www.ambujacement.com and we request you to also upload them on your website www.bseindia.com and www.nseindia.com.

Further, post our intimation, vide our letter dated March 10, 2021 to the stock exchanges regarding the newspaper advertisements for the 38th AGM through VC/OAVM facility, Members of the Company holding shares in physical form who have not registered their email addresses with the Company can obtain the Notice of the AGM, Annual Report and/or login details for joining the AGM through VC/OAVM facility including e-voting, by sending scanned copy of signed request letter mentioning your name, folio number and complete address; self-attested scanned copy of the PAN Card and any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company, to the email address of the Company at shares@ambujacement.com. Members holding shares in demat form can update their email address with their Depository Participant.

In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of the Listing Regulations, the Company is providing the facility to its Members (holding shares either in physical or dematerialized form) to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice convening the 38th AGM of the Company (Remote e-voting).

AMBUJA CEMENTS LIMITED

Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (E), Mumbai 400059.
Tel.: 022- 4066 7000 / 6616 7000, Fax: 022 - 6616 7711 / 4066 7711. Website: www.ambujacement.com
Regd. Off. : P. O. Ambujanagar, Taluka - Kodinar, Dist. Gir Somnath, Gujarat.
CIN: L26942GJ1981PLC004717



Ambuja Cement

The Company is also offering the facility to the Members to cast their vote electronically during the AGM. Accordingly, the Company has fixed Friday, April 02, 2021 as the cut-off date to determine the eligibility of the members to cast their vote by electronic means and e-Voting during the AGM scheduled to be held on Friday, April 09, 2021 through VC/OAVM Facility. Accordingly, the voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of Friday, April 02, 2021.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For AMBUJA CEMENTS LIMITED

Rajiv n. Gandhi

RAJIV GANDHI
COMPANY SECRETARY
Membership No A11263



AMBUJA CEMENTS LIMITED

Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (E), Mumbai 400059.
Tel.: 022- 4066 7000 / 6616 7000, Fax: 022 - 6616 7711 / 4066 7711. Website: www.ambujacement.com
Regd. Off. : P. O. Ambujanagar, Taluka - Kodinar, Dist. Gir Somnath, Gujarat.
CIN: L26942GJ1981PLC004717

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 of the 38th Annual General Meeting

NOTICE is hereby given that the THIRTY EIGHTH ANNUAL GENERAL MEETING of the Members of AMBUJA CEMENTS LTD. ("the Company") is scheduled to be held on Friday, April 9, 2021 at 12.00 noon through Video Conferencing (VC)/Other Audio Visual Means(OAVM) to transact the following business:-

Ordinary Business

- To receive, consider and adopt:
 - the Audited Standalone Financial Statements of the Company for the Financial Year ended December 31, 2020, together with the Reports of the Directors and the Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the Financial Year ended December 31, 2020 and the Report of the Auditors thereon.
- To declare Final Dividend on equity shares for the financial year ended December 31, 2020.
- To appoint a Director in place of Ms. Then Hwee Tan (DIN: 08354724), who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint a Director in place of Mr. Mahendra Kumar Sharma (DIN: 00327684), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

5. Appointment of Mr. Ramanathan Muthu (DIN: 01607274) 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 pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Ramanathan Muthu (DIN: 01607274) who was appointed a Director of the Company with effect from December 23, 2020 in the casual vacancy caused by

the resignation of Mr. Roland Kohler and who, in terms of Section 161(4) of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ramanathan Muthu as a candidate for the office of Director, be and is hereby appointed as Non-Executive, Non-Independent Director of the Company and whose period of office will be liable to determination by retirement by rotation."

"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."

6. 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 2021 at a remuneration of ₹ 9,00,000 (Rupees Nine Lakhs) 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."

Place: Mumbai
Date: February 18, 2021

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

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. 5 and 6 of the accompanying Notice dated February 18, 2021.

In respect of item No. 5

The Board of Directors at its meeting held on December 23, 2020, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Ramanathan Muthu as a Non-Executive, Non-Independent Director on the Board w.e.f. December 23, 2020 in the casual vacancy caused due to the resignation of Mr. Roland Kohler, Non-Executive, Non-Independent Director, w.e.f. December 10, 2020.

In accordance with Section 161(4) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate General Meeting. Since Mr. Ramanathan Muthu was appointed by the Board in the casual vacancy, Shareholders' approval is proposed at the Annual General Meeting. Notice under Section 160 of the Companies Act has been received from a Shareholder proposing the name of Mr. Ramanathan Muthu to be appointed as a Non-Executive, Non-Independent Director on the Board.

The Board, after satisfying itself that the appointment of Mr. Ramanathan Muthu will be in the interest of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends the appointment of Mr. Ramanathan Muthu as a Director, liable to retire by rotation.

The brief resume and the nature of expertise of Mr. Ramanathan Muthu is as under:

Mr. Ramanathan Muthu holds an undergraduate degree in Industrial Economics from University of Warwick, United Kingdom and is a certified chartered accountant.

Mr. Ramanathan Muthu is Global Head of Strategy for LafargeHolcim since March 2019. He is also leading the LafargeHolcim Group's Investment Committee.

Mr. Ramanathan Muthu joined the erstwhile Holcim Ltd in 2005 in the Finance and Controlling function in Zurich, before moving to work in Asia Pacific Region supporting in various strategic projects and growth investments. He took on the role of Project Manager for an Energy initiative and Manufacturing

transformation across India and South East Asia. He also served as the Executive Assistant to EXCO Member in charge of Asia Pacific working on strategic initiatives across the region before moving back to the Group where he took over the role of Head of Group CEO Office.

No Director, Key Managerial Personnel and their relatives other than Mr. Ramanathan Muthu are concerned or interested in the resolution proposing his appointment as a Non-Executive, Non-Independent Director on the Board of the Company.

In accordance with Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, Mr. Ramanathan Muthu's other particulars are given in the annexure to this notice.

The Directors are of the opinion that Mr. Ramanathan Muthu's knowledge and experience will be of benefit to the Company.

Accordingly, the Board recommends the Ordinary Resolution at item no. 5 of this Notice for the approval of the Members.

In respect of item No. 6

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 2021 at a remuneration of ₹900,000/- (Rupees Nine Lakhs) 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.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice.

Accordingly, the Board recommends the Ordinary Resolution at item no. 6 of this Notice for the approval of the Members.

By Order of the Board of Directors

Rajiv Gandhi

Company Secretary

(Membership No. A11263)

Place: Mumbai

Date: February 18, 2021

ANNEXURE TO ITEMS. 3 to 5 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	Ms. Then Hwee Tan	Mr. Mahendra Kumar Sharma	Mr. Ramanathan Muthu
DIN	08354724	00327684	01607274
Date of Birth	December 27, 1972	May 4, 1947	October 5, 1982
Nationality	Singapore	Indian	Indian
Date of Appointment on the Board	February 18, 2019	April 1, 2019	December 23, 2020
Qualifications	Master of Business Administration, USA	B.A., LLB (Lucknow University PGDPM & Diploma in law (LLI, Delhi)	Undergraduate degree in Industrial Economics
Expertise in specific functional area	Human Resource, Talent Development	Legal, Compliance, M & A	Finance, Economics
Number of shares held in the Company	Nil	Nil	Nil
List of the directorships held in other companies*	Nil	i) Wipro Ltd. ii) Asian Paints Ltd. iii) United Spirits Ltd.	Nil
Number of Board Meetings attended during the year 2020	11 of 11	11 of 11	1 of 1
Chairman/ Member in the Committees of the Boards of companies in which he/she is a Director*	Nil	Chairman- i) Audit Committee- Asian Paints Ltd. ii) Administrative & Shareholders Committee- Wipro Ltd. Member – i) Audit Committee- United Spirits Ltd. ii) Audit Committee- Wipro Ltd.	Nil
Relationships between Directors inter-se	None	None	None
Terms and Conditions of Appointment	Non-Executive, Non-Independent Director, liable to retire by Rotation	Non-Executive, Non-Independent Director, liable to retire by Rotation	Non-Executive, Non-Independent Director, liable to retire by Rotation
Remuneration details (Including Sitting Fees & Commission)	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report

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

Notes:-

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 38th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
2. 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. 5 to 6 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") 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.
3. The requirement to place the matter relating to the appointment of Statutory 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 March 31, 2017.
4. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 38th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Company or upload on the VC portal / e-voting portal.
7. **Record Date:** The Record date for payment of dividend has been fixed as **Monday, March 22, 2021**.
8. **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 **Monday, March 22, 2021** as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical mode, the dividend will be paid to the shareholders, whose names shall appear in the Company's Register of Members as on **Monday, March 22, 2021**.

The final dividend will be paid on and from April 23, 2021.

9. 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.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 38th AGM and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 38th AGM and the Annual Report for the year 2020 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at: shares@ambujacement.com
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
11. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2020 will also be available on the Company's website www.ambujacement.com for their download. The same shall also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL [https:// www.evotingindia.com](https://www.evotingindia.com). Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the 38th AGM along with the Annual Report for Financial Year 2020 are being sent by electronic mode to those Members whose E-mail addresses are registered with the DPs or the Company/LinkIntime, unless the Members have requested for a physical copy of the same.
12. 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 electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by

the members from the date of circulation of this Notice up to the date of 38th AGM, i.e. April 9, 2021. Members seeking to inspect such documents can send an email to shares@ambujacement.com

13. Members desiring any information relating to the accounts or any other matter to be placed at the AGM, are requested to write to the Company on or before **April 5, 2021** through email on shares@ambujacement.com.
14. **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.
15. **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.
16. Submission of PAN: Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-
 - a) Legal Heirs'/Nominees' PAN Card for transmission of shares,
 - b) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
 - c) Joint Holders' PAN Cards for transposition of shares.
17. **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.
18. **Share Transfer permitted only in Demat:** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialise shares held by them in physical form.
19. **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).

20. **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 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
Financial 2018 (Final)	18.02.2019	29.04.2026
Financial 2019 (Interim)	12.05.2020	11.06.2027
Financial 2020 (Interim)	22.10.2020	25.10.2027

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof at least 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 December 31, 2013 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 March 31, 2021 for final dividend of F.Y. 2013 and June 30, 2021 for interim dividend of F.Y. 2014.

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.

21. **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 2020, unclaimed final dividend for the Financial year 2012 aggregating to ₹ 1,39,74,764/- and interim dividend for Financial year 2013 aggregating to ₹ 86,64,122/- and the 2,49,474 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-iejpf>.

22. 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 **April 2, 2021** 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 (PRIOR TO AGM)

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The voting period begins on **Monday, April 6, 2021 at 10:00 a.m. and ends on Thursday, April 8, 2021 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of April 2, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- The Company has appointed Mr. Surendra Kanstiya Associates, Practising Company Secretary, to act as the Scrutiniser to scrutinise the voting during the AGM 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.
- 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 and NSE, where the shares of the Company are listed.

- 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. April 2, 2021 may obtain the login details in the manner as mentioned below.

The instructions for shareholders voting electronically are as under:

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders/Member.
- Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

- Next enter the Image Verification as displayed and Click on Login.
- 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.
- 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	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Details or Date of Birth (DOB)	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).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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 scrutiniser to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; shares@ambujacement.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

- (xix) 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.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

II. E-VOTING DURING THE AGM:

The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

23. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.

Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials.

The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Click on live streaming appearing beside the EVSN.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.

Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

System requirements for best VC experience:

Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more Microphone and speakers – built-in or USB plug-in or wireless Bluetooth

Browser: Google Chrome: Version 72 or latest Mozilla Firefox: Version 72 or latest Microsoft Edge Chromium: Version 72 or latest Safari: Version 11 or latest Internet Explorer: Not Supported

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due

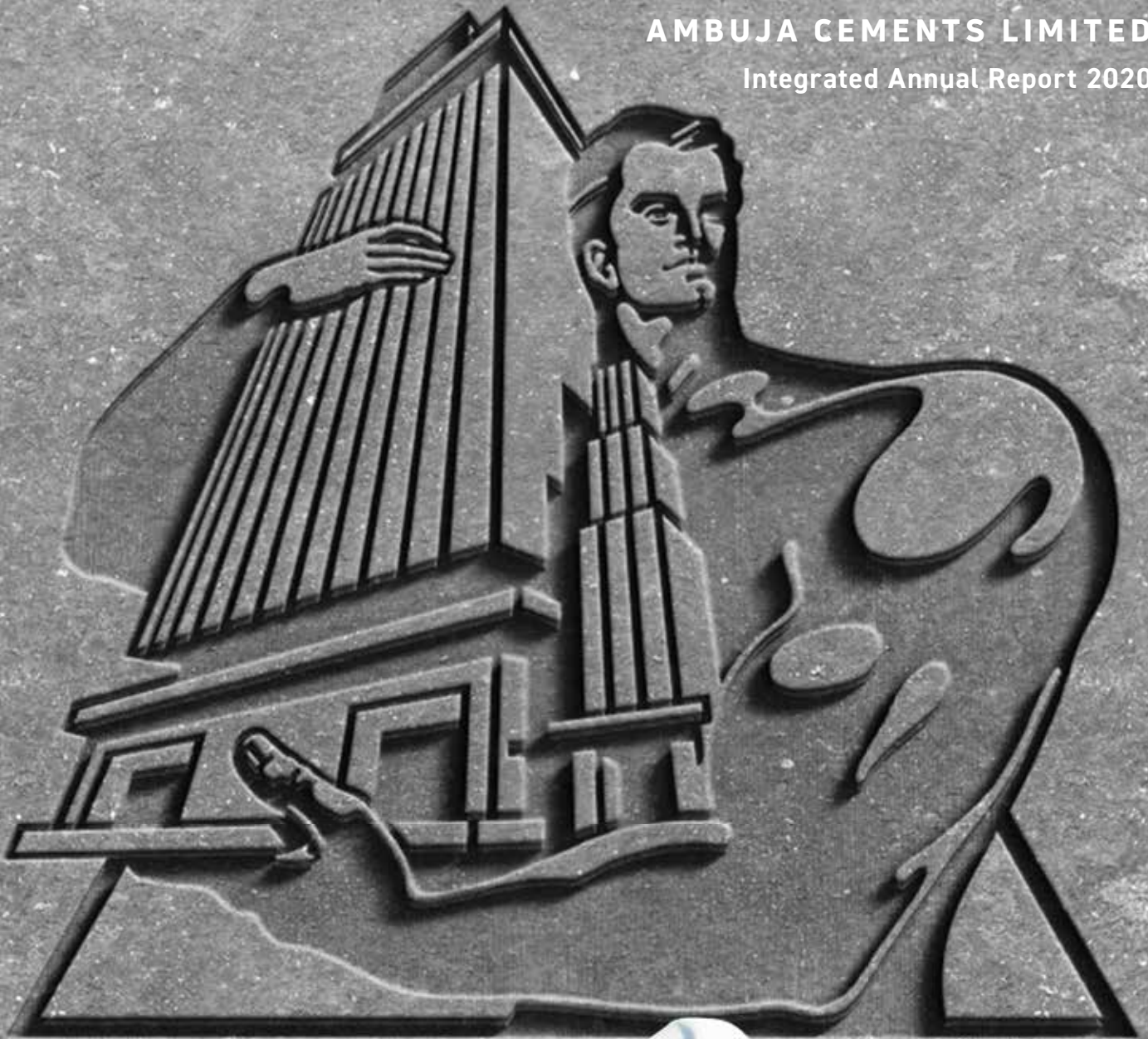
to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members can post questions through Q&A feature available in the VC. Members can exercise these options once the floor is open for shareholder queries.

24. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to shares@ambujacement.com from March 25, 2021 (9:00 a.m. IST) to March 31, 2021 (5:00 p.m. IST).
25. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
26. Members who need assistance before or during the AGM, can contact CDSL by sending an email to helpdesk.evoting@cdslindia.com or call 1800225533.
27. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

AMBUJA CEMENTS LIMITED

Integrated Annual Report 2020



**STRENGTH
MEETS
CONFIDENCE**

I CAN.



CONTENTS

Corporate Overview

Report overview	02
Vision and values	04
Performance snapshot	05
Chairman's communiqué	08
Ambuja Cement at a glance	10
Managing Director & CEO's message	14
Our management	16
Board of Directors	16
Leadership team	18
Value creation	20
Business model	20
Strategic framework	22
Sustainability strategy	24
Trends and topics impacting value creation	26
Operating context	26
Engaging with stakeholders	28
Material topics	32
Risk management	34
Capital-wise performance	40
 Financial capital	40
 Manufactured capital	46
 Intellectual capital	54
 Natural capital	62
 Social capital	72
 Relationship capital	80
 Human capital	88
Governance framework	98
Awards and recognition	100
GRI indicators	102
Assurance statement	110

Statutory Reports

Management Discussion and Analysis	114
Directors' Report	128
Corporate Governance Report	147
Business Responsibility Report	170

Financial Statements

Standalone	182
Consolidated	254

Notice of the 38th AGM	336
--	------------



Online version can be viewed here

<https://www.ambujacement.com/investors/annual-reports>

Note: Photographs without masks were shot during the pre-COVID period.

GIVE A MAN ORDERS AND
HE WILL DO THE TASK
REASONABLY WELL. BUT LET
HIM SET HIS OWN TARGETS,
GIVE HIM FREEDOM AND
AUTHORITY, AND HIS TASK
BECOMES A PERSONAL
MISSION: *I CAN.*

Report overview

Approach

Fortifying our commitment to stakeholder communication, our integrated report aims at a holistic assessment of our financial and non-financial performance. It outlines the information related to our strategy, governance, risks and opportunities to help our stakeholders have a deeper understanding of our initiatives and progress.

To report our performance in 2020, we are combining the disclosures from our Annual Report and Sustainability Report into a unified Integrated Report for a comprehensive articulation of our value-creation approach.

Frameworks, guidelines and standards

The report is prepared as per the framework prescribed by the International Integrated Reporting Council (IIRC). It also contains performance indicators in line with the Global Reporting Initiative (GRI) Standards 'In Accordance - Comprehensive' criteria. It measures our performance against the United Nations Sustainable Development Goals (UN SDGs) as well.

Sections of the Integrated Annual Report also comply with the requirements stated in the Companies Act, 2013 (including the rules made thereunder), the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India. We encourage our stakeholders to read them in conjunction with the contents.

We also endorse various economic, environmental and social charters, principles, or initiatives.



GRI 102-46 TO 102-56

Reporting scope, boundary and the Company's value chain

The Integrated Report for 2020 covers information on our business segments in India, along with associated activities that enable short-, medium- and long-term value creation. The report contains detailed reference to sustainability initiatives undertaken by Ambuja Cement to address the material issues identified in an extensive stakeholder engagement and due diligence exercise carried out during early 2018. The engagement exercise included all relevant stakeholder groups and the topic boundary was defined with high-importance material topics. The aspect boundaries and content have been defined using reporting principles prescribed in the GRI Standards. The report covers all operations and businesses of Ambuja Cement that fall under its direct operational control. However, we welcome our readers' valuable feedback to further enrich the quality of our report.



Exclusion: The subsidiaries and JVs, and channel partner/dealer networks beyond our direct operational control.

Assurance statement

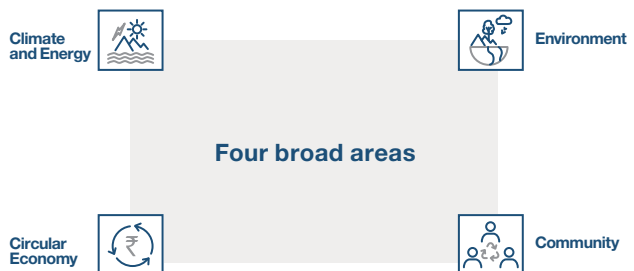
The report is externally assured as per AA 1000 Assurance Standard. The organisation, employees and the assurance providers are independent agencies.

Third-party assurance statement

The non-financial disclosures of Ambuja Cements Limited's Integrated Report have been assured by TUV India Private Limited. The assurance report issued by TUV India Private Limited can be found on [PAGE 110](#)

Sustainability commitment

Aligned with the Sustainable Development Ambition 2030 of LafargeHolcim, we are working towards addressing challenges in:



Our capitals

We depend on various relationships and resources to conduct our business, as defined under the seven capitals.



Financial capital

Access to cost-effective funds such as equity, debt and reinvestment—for sustaining and creating value across all capitals

➔ PAGE 40



Manufactured capital

Wide network of integrated manufacturing units, grinding units, mining assets, along with supporting infrastructure for logistics, warehousing and sales

➔ PAGE 46



Intellectual capital

Our deep industry knowledge finds reflection in the way we innovate, the technology and knowhow that evolved over the years at Ambuja Cement, and robust R&D systems that we have put in place

➔ PAGE 54



Natural capital

We use natural resources such as limestone, coal and other minerals. Air, water, energy, land and biodiversity are either used directly or impacted by the operations

➔ PAGE 62



Social capital

Our social capital includes the way we manage relationships with our society

➔ PAGE 72



Relationship capital

Our relationship capital includes the way we manage relationships with our key stakeholders such as customers, vendors and government, among others

➔ PAGE 80



Human capital

Comprises diverse skillsets, expertise and industry knowledge of people coming from diverse ethnic, social and economic backgrounds

➔ PAGE 88

Key stakeholders

Our deep engagement with stakeholders strengthens our reputation and improves our understanding of their needs and interests

➔ PAGE 28

Material matters

Material matters are those issues that could substantially affect our ability to create value in the short, medium and long term

➔ PAGE 32

Risk

The overarching purpose behind our risk management framework is to respond with agility to the potential risks that may materially impact the execution of our strategy and value creation

➔ PAGE 34



VISION

TO BE THE MOST SUSTAINABLE
AND COMPETITIVE COMPANY
IN OUR INDUSTRY

MISSION

TO CREATE
VALUE FOR ALL



DELIGHTED
CUSTOMERS



ENLIGHTENED
PARTNERS



LOYAL
SHAREHOLDERS



INSPIRED
EMPLOYEES



ENERGISED
SOCIETY



HEALTHY
ENVIRONMENT

Performance snapshot

Net sales (₹ crores)

11,175 [↓]2%

Net profit (₹ crores)

1,790 [↑]17%

Return on average capital employed (%)

11 [↑]200 BASIS POINTS

CO₂ emission per tonne of cementitious materials (kg)

531

Waste-derived resources used (million tonnes)

8.2 [↓]6%

Water positive

8X

Average capacity utilisation (%)

75 [↓]600 BASIS POINTS

Average realisation per tonne (₹)

4,930 [↑]5%

Numbers for the year 2020



STRENGTH M CONFIDENCE



EETS

AS ONE OF INDIA'S LEADING CEMENT MANUFACTURERS, OUR STRENGTH RESTS ON OUR SCALE, INTEGRATION, PRODUCT-PROCESS INNOVATION, MARKET REACH, RESPONSIBLE MANUFACTURING PRACTICES AND COMMUNITY OUTREACH.

OUR CONFIDENCE IS BEST ARTICULATED BY THE *I CAN*. SPIRIT OF OUR TEAMS AND THE WEALTH OF EXPERIENCE AND EXPERTISE THAT THEY BRING ON BOARD.

We are building a more sustainable business on the pillars of our strength and confidence. Our sustainable development ambition is built on global standards and is aligned with our parent LafargeHolcim's sustainability strategy.

We are progressing on our **Sustainable Development Ambition 2030** with a sharper focus on climate and energy, building a circular economy, conserving resources and nature, and driving meaningful change in the lives of communities and the larger stakeholder fraternity.



Chairman's communiqué

FAST-TRACKING INCLUSIVE GROWTH

Dear Stakeholders,

I am happy to share our first Integrated Report, which is the outcome of our integrated strategy for value creation. Before I dwell on our performance for the year, it is pertinent to share a few words on the India growth story, which we are extremely bullish about.

Notwithstanding challenges, India aspires to become a 5 trillion-dollar economy in the next few years. However, this growth needs to be more inclusive and diverse to raise the quality of lives of millions of people, conserve natural resources, deploy capital prudently and drive the climate agenda very strongly. As one of India's leading core sector players, with focus on responsible manufacturing, we see a larger role for ourselves in this operating environment.

COVID-19 hit the world hard to say the least, and unprecedented lockdowns disrupted economies, businesses and society in a manner that we have never seen in our lives. India was no exception, but our country has managed to flatten the COVID-19 curve remarkably better than many other economies. This was made possible by the government's timely and consistent interventions to enforce stringent health and safety guidelines. Additionally, the government's huge stimulus package supported businesses and vulnerable communities.

During the year, one of our major concerns was to ensure the well-being of our community and lend a helping hand when the need arose. Ambuja Cement Foundation (ACF), our CSR arm, sprang into action with a detailed action plan that touched the lives of more than 34 lakh people. The initiatives included the creation of

rural Single Point of Contacts (SPOCs) between the community and ACF, working diligently alongside health authorities.

ACF helped the SPOCs disseminate messages around social distancing, sanitisation, and other safety protocols to community members. It also engaged 525 Self-Help Groups (SHGs) and 4,52,000 face masks were made under the livelihood enhancement programme, helping generate income during the difficult months of the lockdown.

Resolute steps forward

During the year, we adopted a razor-sharp focus on 'health, cost and cash' and resolutely steered the business forward, notwithstanding the adversity. Our concerted efforts also helped restart operations and dispatches faster than our industry peers. The result was that despite a 2% decline in the topline, we could grow our EBITDA by 23% and Profit After Tax by 17% vis-à-vis 2019.

Industry scenario

Acute shortage of labour and social-distancing measures resulted in the suspension of construction activities across the country, which adversely impacted the cement industry. After an uninspiring first half, the second half of the year reported stronger recovery and 8% volume growth driven by a gradual pick-up of construction activities, and the government's thrust on infrastructure creation to accelerate economic recovery. The industry reported a decline of 11% during the whole year, while Ambuja Cement's volume declined by 6%. This vindicated the strength of our fundamentals.

We expect the economy to improve further during 2021. Given the government's focus on affordable housing and infrastructure, we believe that the cement sector has a strong growth potential in the coming years.

Dynamics work in our favour

India continues to be the world's second largest cement producer. However, the country lags in terms of per capita consumption vis-à-vis the global average. There has been a growing demand in construction, infrastructure and housing sector. The housing sector accounts for over 65% of the total cement consumed in India. In line with this reality, Ambuja Cement has focused specifically on the retail segment of the market, accounting for ~81% of the Company's total sales in 2020.

Our focus remains on individual home builders across existing and new markets. We are stepping up innovation to offer durable solutions to individual home builders in home construction. Our growing presence in suburban and rural regions, along with strategically located grinding units, enables us to service these markets better and faster. Additionally, our upcoming capacities will help us carve out a larger market pie.

Sustainability is a way of life

We are putting into action bolder plans in terms of emissions reduction, resource optimisation and water conservation. We continue to consistently rank higher on water positive performance in our sector. Besides, co-processing of plastic waste in our kilns has helped us become a plastic negative company.

Also, to increase the use of green energy, we are setting up waste heat recovery systems at our plants.

Upon completion, the share of green energy in our total power requirement will increase substantially. Going ahead, this will also provide us with cost-competitiveness. This year, health and safety remained one of the key focus areas for us, and we are working towards the goal of 'Zero Harm' across our operations.

Together we deliver

COVID-19 had posed a temporary pause in economic activity, and we are already seeing green shoots of recovery. The government's mega push on affordable housing and infrastructure will further widen the opportunity horizon for us, as the Indian economy gradually regains its pre-COVID momentum. We have the capability and the commitment to help build the India of tomorrow. I, along with other members of the Board, am thankful to our customers, suppliers and governments for their continued support. Also, I express my gratitude to our employees for their grit and determination, which helped us navigate through the COVID-19 pandemic.

Warm regards,

N.S. Sekhsaria

N.S. Sekhsaria
Chairman and Principal Founder
February 18, 2021



Ambuja Cement at a glance

STURDY FOUNDATION

Ambuja Cement is one of the leading players in the Indian cement industry and is trusted for its tailor-made product portfolio, suitable for diverse Indian climatic conditions. Our sustainable operations and initiatives help advance the Company's philosophy of contributing to societal well-being.



About the Company

Ambuja Cement is one of India's leading, responsible cement manufacturers, with presence across Northern, Central, Western and Eastern parts of the country.

Ambuja Cement is a public limited company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, with the majority shareholder being Switzerland-based LafargeHolcim Limited, a global conglomerate with 70-country presence and 72,000 people and is engaged in the business of sustainable building materials and solutions. The GDRs issued by Ambuja Cement are listed on the Luxembourg Stock Exchange.

GRI-102

Our wide product portfolio includes differentiated products for diverse climatic conditions, along with other sustainable and innovative building materials and solutions.

We lead in the responsible use of materials in the industry, together with a robust corporate governance policy, industry-leading environment management policy and sustainable supply chain policy. Our manufacturing units are ISO14001-certified.

We are involved in developing communities around our plants through our CSR arm, the Ambuja Cement Foundation (ACF).

Key facts



LafargeHolcim Ltd.
Our parent company



**ACF-CSR
arm of Ambuja**



Founded in 1993
Present in 11 states
covering 44 districts

**Ambuja
Cement**

**Global Cement
Excellence**



Global expertise in
Waste Management
for over 30 years

**Installed capacity
(MTPA)**

29.65

**Captive power plant
capacity (MW)**

291

**Channel partners
in 2020**

~50,000

**Market share in 2020
(%)**

~8

**State-of-the-art
integrated plants**

5

**Strategically located
grinding units**

8

Ambuja Cement at a glance



PIONEERING ZEAL

- Only cement company to be certified eight times water positive in the industry
- First to launch composite cement in India, an environmentally-responsible product
- First in the industry to adopt True Value accounting method for sustainability
- First company in India to use biofuels in ship transportation

THE AMBUJA CEMENT DIFFERENTIATORS

- Strong governance and ESG leadership reflected in responsible growth over the years
- Experienced management teams spearheading organisation goals
- Robust risk management process minimising impact of internal and external shocks
- Diverse product range suiting Indian climatic conditions that cater to the needs of a wide customer base
- Wide market presence with deep distribution network
- Prudent financial management with zero debt and stringent cost control, resulting in financial sustainability
- Bringing positive changes in the local communities through effective interventions

Associations

We are associated with various industry bodies and endorse a number of economic, environmental, and social charters, principles for knowledge sharing and to provide consultative and representative services to the Company.

Industry associations

- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Management Association (BMA)
- Indian Merchants' Chamber (IMC)
- Bombay Chamber of Commerce and Industry (BCCI)
- Cement Manufacturer's Association (CMA)

GRI 102-13

Economic, environmental, and social charters, principles, or other initiatives

- Global Cement and Concrete Association (GCCA)
- Indian Business Biodiversity Initiative (IBBI)

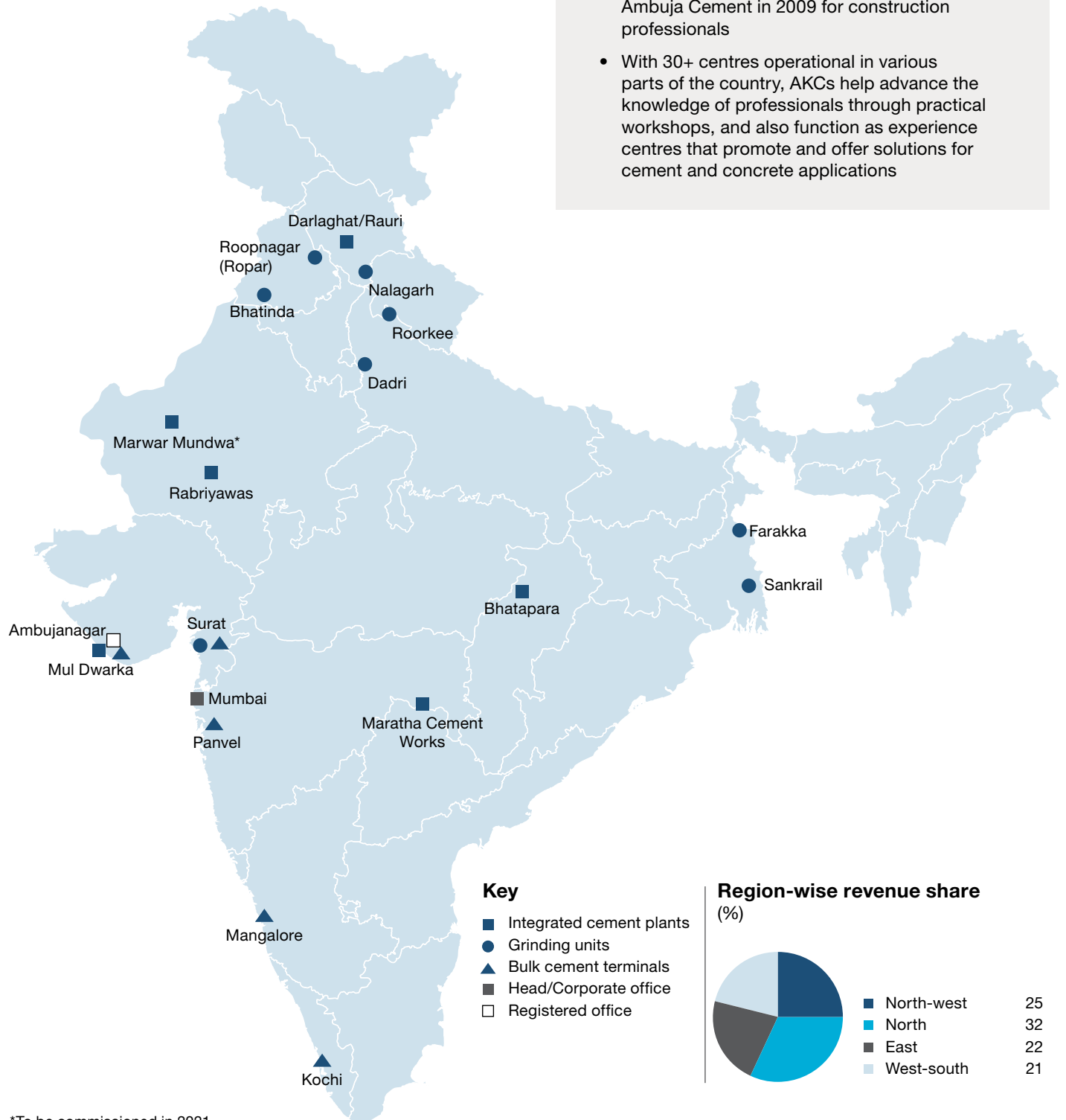
GRI-102-12

Recognition

- Dow Jones Sustainability Index (DJSI)- Construction Materials Category 4th Rank (2019), 5th Rank (2018, 2020) Worldwide (score: 82 in 2019 and 2020)
- Carbon Disclosure Project (CDP): 'A-' on Water (2020), 'B' on Climate (2020) [PAGE 101](#)

Market presence

With five integrated units and eight grinding units, we are present in 11 states covering 32+ districts. We enjoy a significant footprint across the Western, Eastern and Northern markets of India, with customers ranging from Individual House Builders (IHBs) to national (private and government undertakings) and international construction firms.



KNOWLEDGE IS OUR VALUE DRIVER

- Ambuja Knowledge Centre (AKC) is a knowledge-sharing platform initiated by Ambuja Cement in 2009 for construction professionals
- With 30+ centres operational in various parts of the country, AKCs help advance the knowledge of professionals through practical workshops, and also function as experience centres that promote and offer solutions for cement and concrete applications

*To be commissioned in 2021

Managing Director & CEO's message

DELIVERING WITH A STRONG SENSE OF DISCIPLINE

Dear Stakeholders,

The world faced an unprecedented once-in-a-lifetime catastrophe in the form of the COVID-19 pandemic.

Our priority during the difficult months of the pandemic was to ensure business continuity. We realigned our focus and channelised our energies around three core areas – health, cost and cash. I am deeply thankful to the entire team for making it possible with their passion, proactivity and customer-centric philosophy.

We ensured the health and well-being of our people, their families, and our stakeholders through emergency preparedness, awareness drives, training and communication. We also instilled a strong sense of discipline among our employees that also helped us restart our operations faster than our peers.

While the flow of revenues remained muted, we focused on stringent cost management initiatives, strengthening our profitability. Our efforts towards collections helped us in generating a consistent cash flow.

A Business Resilience Team (BRT) was formed at the Ambuja-ACC level to oversee and synergise actions on COVID-19. The cross-functional

expertise of the BRT prepared us for the resumption of operations post lockdown period, helping us to quickly restart with the necessary regulations in place. During 2020, we achieved a capacity utilisation of 75% and reported a 2% de-growth in topline vis-à-vis the similar period during 2019.

Strong will to perform

Despite challenges, we arrested our revenue decline at just 2% against that in 2019. Operating EBITDA for the year grew from ₹2,149 crores in 2019 to ₹2,647 crores, while PAT strengthened from ₹1,529 crores in 2019 to ₹1,790 crores in 2020. Operating EBITDA margin for the year stood at 23.7%, against 18.9% in 2019 while PAT margin grew to 16% in 2020, against 14% in 2019.

Core initiatives

The Indian economy is showing signs of recovery at a rate faster than what was expected earlier, and the commencement of the vaccination drive in India and the world is bringing back positive sentiments to the market. The Indian cement industry's fundamentals are already strong. To top it, the measures

for economic revival announced by the government, including extension of interest subvention for affordable housing, and lower interest rates are expected to drive housing and infrastructure demand in the country in the medium term to long term.

Despite a temporary delay caused by the lockdown, we were quick to resume the construction of our upcoming plant at Marwar Mundwa in Rajasthan and expect to commence operations in 2021. With our market positioning, ongoing and future expansion plans, we expect to increase our market share. Our continued focus on value-added products and premiumisation will also ensure that we remain a preferred brand in the retail market.

We are investing ₹525 crores towards Waste Heat Recovery Systems (WHRS) for enhanced use of green energy and optimisation of operating cost. The plants are expected to be operational by 2022.

The year 2020 also saw us implement cost-management initiatives so that our products can be made available to the market at cost-effective prices.

This initiative sets a strategic direction to build on core competencies, and foster collaboration for cost optimisation. Besides, our Master Supply Agreement (MSA) with ACC is helping us leverage group synergies, resulting in better cost control and healthy operating performance.

We have also initiated major digital transformation programmes across our legacy plants. This will give impetus to automation, leading to more efficient and sustainable operations.

Prepared for a new growth era

Though 2020 was a watershed year for all of us, It also showed how collaboration and sharper strategies can work miracles. While 2020 tested our capabilities and endurance, 2021 is setting the stage for a new era of growth and sustainability. I thank you all for your commitment and support; and invite you to partner our next journey of growth.

Warm regards,



Neeraj Akhoury
Managing Director and CEO
February 18, 2021



Board of Directors



Mr. N.S. Sekhsaria
Chairman and Principal Founder



Mr. Jan Jenisch
Vice Chairman



Mr. Nasser Munjee
Independent Director



Mr. Rajendra Chitale
Independent Director



Mr. Shailesh Haribhakti
Independent Director



Dr. Omkar Goswami
Independent Director



Ms. Shikha Sharma
Independent Director



Mr. Christof Hassig
Director



Mr. Martin Kriegner
Director





Ms. Then Hwee Tan
Director



Mr. Mahendra Kumar Sharma
Director



Mr. Ranjit G. Shahani
Director



Mr. Praveen Kumar Molri
Director



Mr. Ramanathan Muthu
Director



Mr. Neeraj Akhoury
Managing Director & CEO



-  Audit Committee
-  Nomination & Remuneration Committee
-  Stakeholders' Relationship Committee
-  CSR & Sustainability Committee
-  Risk Management Committee
-  Compliance Committee
-  Chairman
-  Member

Leadership team



1. Mr. Neeraj Akhoury
Managing Director & CEO

2. Ms. Rajani Kesari
Chief Financial Officer

3. Mr. Sukuru Ramarao
Chief Manufacturing Officer

4. Mr. Rajiv Kumar
Chief Commercial Officer

5. Mr. Ashish Prasad
Chief Marketing Officer &
Strategic Initiatives

6. Mr. Rajeev Mehta
Head of Outbound Logistics

7. Mr. Suresh Rathi
Head of Fuel, Raw Materials &
Inbound Logistics

8. Mr. Manoj Chhura
Chief Procurement Officer

9. Mr. Rahul Maitra
Chief Human Resource Officer

10. Mr. Vilas Deshmukh
Corporate Affairs – Specific
Projects

LIVING THE SPIRIT OF I CAN.



**SOLID STRENGTH.
CAN TAKE CARE OF LIQUIDITY.**

 PAGE 40



**PUNCH ABOVE YOUR WEIGHT.
WHEN STAKES ARE HIGH.**

 PAGE 46



**WE TRAVELLED LESS. AND
REACHED FAR.**

 PAGE 54



**BEING NEGATIVE IS POSITIVE.
WHEN IT COMES TO PLASTIC.**

 PAGE 62



**CONTAINING THE SPREAD.
AND WIDENING THE CIRCLE
OF CARE.**

 PAGE 72



**RELATIONSHIPS CAN STAY
STRONG.
EVEN WHEN THE THREAD
IS VIRTUAL.**

 PAGE 80

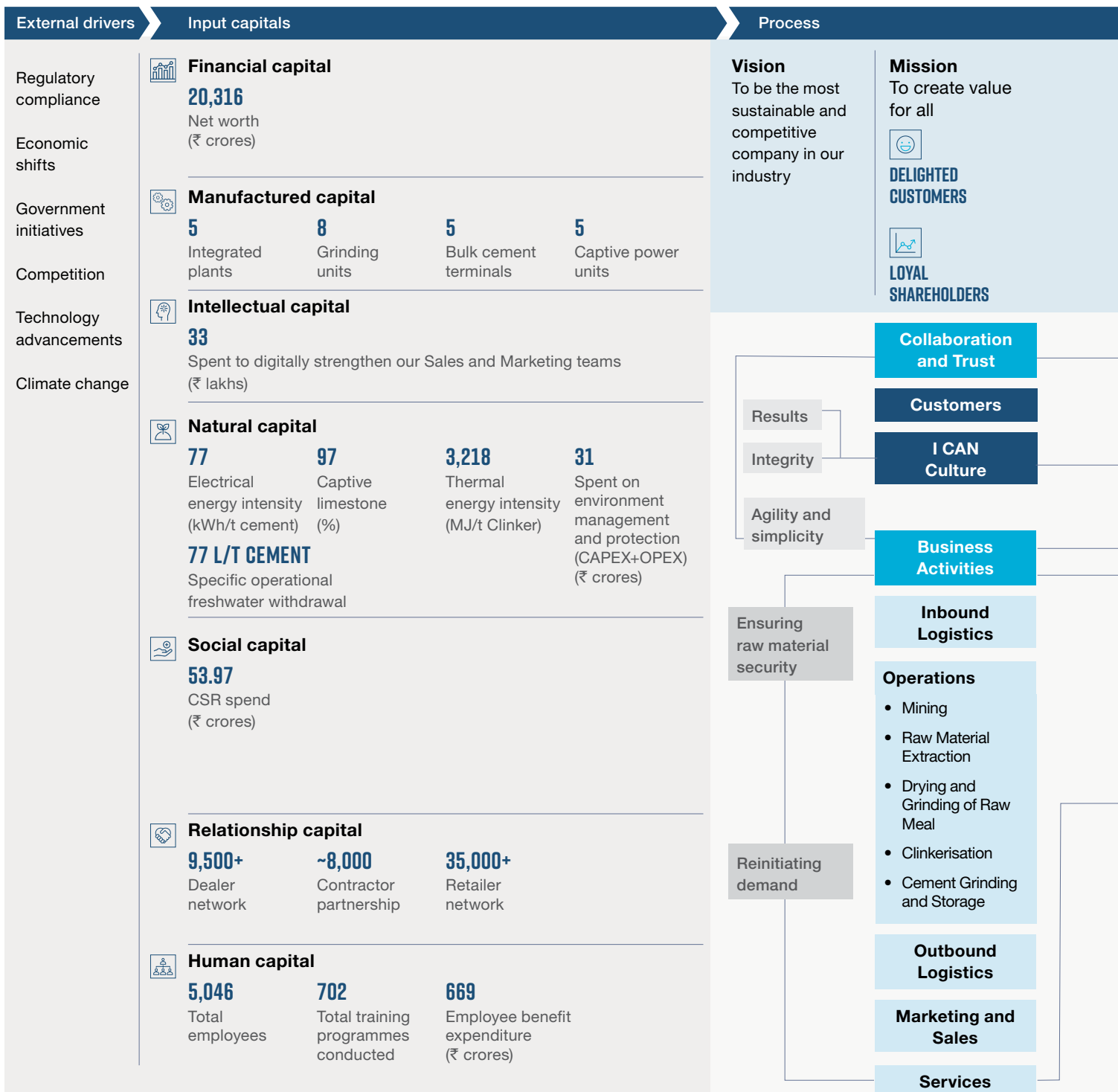


**WE PAUSED TO SAVE LIVES.
RESTARTED TO EMBRACE
THE NEW.**

 PAGE 88

Business model

SHARPENING OUR VALUE PROPOSITION



	Outputs	Outcome	SDGs impacted								
ENLIGHTENED PARTNERS ENERGISED SOCIETY INSPIRED EMPLOYEES HEALTHY ENVIRONMENT <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Sustainability</p> <p>People</p> <p>Empowerment accountability and transparency</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Demonetisation impact</p> <p>Administrative burden</p> <p>Taxation</p> </div> <p>Long-term strategic objectives</p> <ul style="list-style-type: none"> INCREASE MARKET SHARE INCREASE SHARE OF VALUE-ADDED PRODUCTS AND SERVICES ENHANCE EFFICIENCY SUSTAINABILITY LEADERSHIP 	<p>14.16 Clinker production (million tonnes)</p>	<p>Financial capital</p> <table border="1"> <tr> <td>11,175 Turnover (₹ crores)</td> <td>2,647 EBITDA (₹ crores)</td> <td>1,790 PAT (₹ crores)</td> <td>2,606 Cash flow from operations (₹ crores)</td> </tr> </table>	11,175 Turnover (₹ crores)	2,647 EBITDA (₹ crores)	1,790 PAT (₹ crores)	2,606 Cash flow from operations (₹ crores)	 				
	11,175 Turnover (₹ crores)	2,647 EBITDA (₹ crores)	1,790 PAT (₹ crores)	2,606 Cash flow from operations (₹ crores)							
	<p>22.26 Cement production (million tonnes)</p>	<p>Manufactured capital</p> <p>75 Capacity utilisation (%)</p>	<p>Intellectual capital</p> <p>1 New product launched</p>								
	<p>19.4 Blended cement production (million tonnes)</p>	<p>Natural capital</p> <table border="1"> <tr> <td>8.2 Waste co-processed (million tonnes)</td> <td>44 SOx emission (gm/t cement)</td> <td>811 NOx emission (gm/t cement)</td> <td>8X Water positive</td> </tr> <tr> <td>23 Dust emission (gm/t cement)</td> <td>15% Water recycled</td> <td>531 CO₂ emission (kg/t cementitious materials)</td> <td></td> </tr> </table>	8.2 Waste co-processed (million tonnes)	44 SOx emission (gm/t cement)	811 NOx emission (gm/t cement)	8X Water positive		23 Dust emission (gm/t cement)	15% Water recycled	531 CO ₂ emission (kg/t cementitious materials)	
	8.2 Waste co-processed (million tonnes)	44 SOx emission (gm/t cement)	811 NOx emission (gm/t cement)	8X Water positive							
	23 Dust emission (gm/t cement)	15% Water recycled	531 CO ₂ emission (kg/t cementitious materials)								
<p>4.2 Thermal substitution rate (%)</p>	<p>Social capital</p> <p>2.7 Livelihoods touched through CSR initiatives (million)</p>	<p>Relationship capital</p> <table border="1"> <tr> <td>1,547 Suppliers assessed for safety</td> <td>80 Net Promoter Score</td> <td>7,681 Active vendors</td> </tr> </table>	1,547 Suppliers assessed for safety	80 Net Promoter Score	7,681 Active vendors						
1,547 Suppliers assessed for safety	80 Net Promoter Score	7,681 Active vendors									
<p>22.63 Cement sales (million tonnes)</p>	<p>Human capital</p> <table border="1"> <tr> <td>93.6 Employee retention rate (%)</td> <td>ZERO Fatalities</td> <td>2.5 Share of women in workforce (%)</td> <td>0.28 Lost-time injury frequency rate</td> </tr> </table>	93.6 Employee retention rate (%)	ZERO Fatalities	2.5 Share of women in workforce (%)	0.28 Lost-time injury frequency rate						
93.6 Employee retention rate (%)	ZERO Fatalities	2.5 Share of women in workforce (%)	0.28 Lost-time injury frequency rate								

Strategic framework

A BLUEPRINT FOR SEAMLESS GROWTH




Leveraging our value-creation model, we work relentlessly to be India’s most competitive and sustainable cement manufacturer. The year 2020 saw major disruptions in our operating environment, but we braced ourselves and focused more on our strategic priorities to ensure seamless business operations.

VISION

To be the most sustainable and competitive company in our industry



STRATEGIC FOCUS AREAS

Short-term priorities	How we achieve	Performance 2020
 Health	<ul style="list-style-type: none"> Ensuring the safety of our people, partners and communities with the help of Business Resilience Team (BRT) through continuous engagements Providing them with the required support to remain productive and engaged during the difficult hours of the pandemic 	Connected virtually with our employees, suppliers and vendors to ensure their well-being
 Cost	<ul style="list-style-type: none"> Saving cost significantly through operational efficiency: <ul style="list-style-type: none"> Optimisation of sourcing through effective negotiations Managing supply chain effectively Enhancing usage of alternative fuel resources Enhancing network efficiency 	Total cost per tonne reduced by 3% over 2019
 Cash	<ul style="list-style-type: none"> Focusing on receivables management to drive cash generation Initiatives to optimise inventory 	Generated ₹2,606 crores as cash from operations, 5% growth over 2019







KEY ENABLERS

Reinforcing product quality

Associated promotional initiatives and efficient operational activities

Engagement with stakeholders

Mid- to long-term priorities	How we achieve	Linkages to material issues	Performance 2020
 <p>Increase market share</p>	<ul style="list-style-type: none"> Increasing capacities to meet the growing market demand Communicating continuously with our key stakeholders to drive sales Strengthening market reach further 	Economic performance, Marketing communication and reputation, Customer satisfaction, Sustainable constructions	<ul style="list-style-type: none"> Capacity expansion plan on track Added 600 channel partners Engaged with customers through innovative digital interventions, Above The Line (ATL) and Below The Line (BTL) activities
 <p>Increase share of value-added products and services</p>	<ul style="list-style-type: none"> Introduce value-added products 	Capacity utilisation and current demand, Marketing communication and reputation	<ul style="list-style-type: none"> Introduced one new value-added product in the blended cement category Share of revenue from the value-added products stood at 11% in 2020 (8% in 2019)
 <p>Enhance efficiency</p>	<ul style="list-style-type: none"> Digital transformation Cost optimisation across production and logistics 	Economic performance, Energy efficiency	<ul style="list-style-type: none"> Plant Net Availability index improved by 5% Freight and forwarding cost per tonne reduced by 2% Introduced cost efficiency drive to reduce operating cost per tonne of cement Initiated waste heat recovery system to optimise power and fuel cost
 <p>Sustainability leadership</p>	<ul style="list-style-type: none"> Working towards meeting the Sustainable Development Ambition 2030 and aligning our targets with 'Net Zero Pledge' of LafargeHolcim 	Greenhouse Gas (GHG) emissions and climate change, Air emissions, Waste management, Circular economy (AFR), Sourcing of water, Biodiversity	Improved performance on parameters like emissions reduction, water consumption, alternative fuels and raw material consumption, waste co-processing, biodiversity conservation, etc.

A culture that promotes equality, fairness, health, safety, diversity and innovation, among others

Leading through responsible citizenship

Sustainability strategy

STRENGTHENING PILLARS OF RESPONSIBLE BUSINESS

Our vision, mission and strategy is aligned with our aspiration to inspire change as a responsible, safe and transparent cement player.

Our sustainable development initiatives cover a wide spectrum—from clean technology harnessing to utilisation of industrial wastes in cement production, energy conservation to exploiting renewable energy resources, emissions reduction to creating institutionalised mechanisms to monitor environmental risks and strict adherence to the Company’s ‘zero non-compliance’ regime.

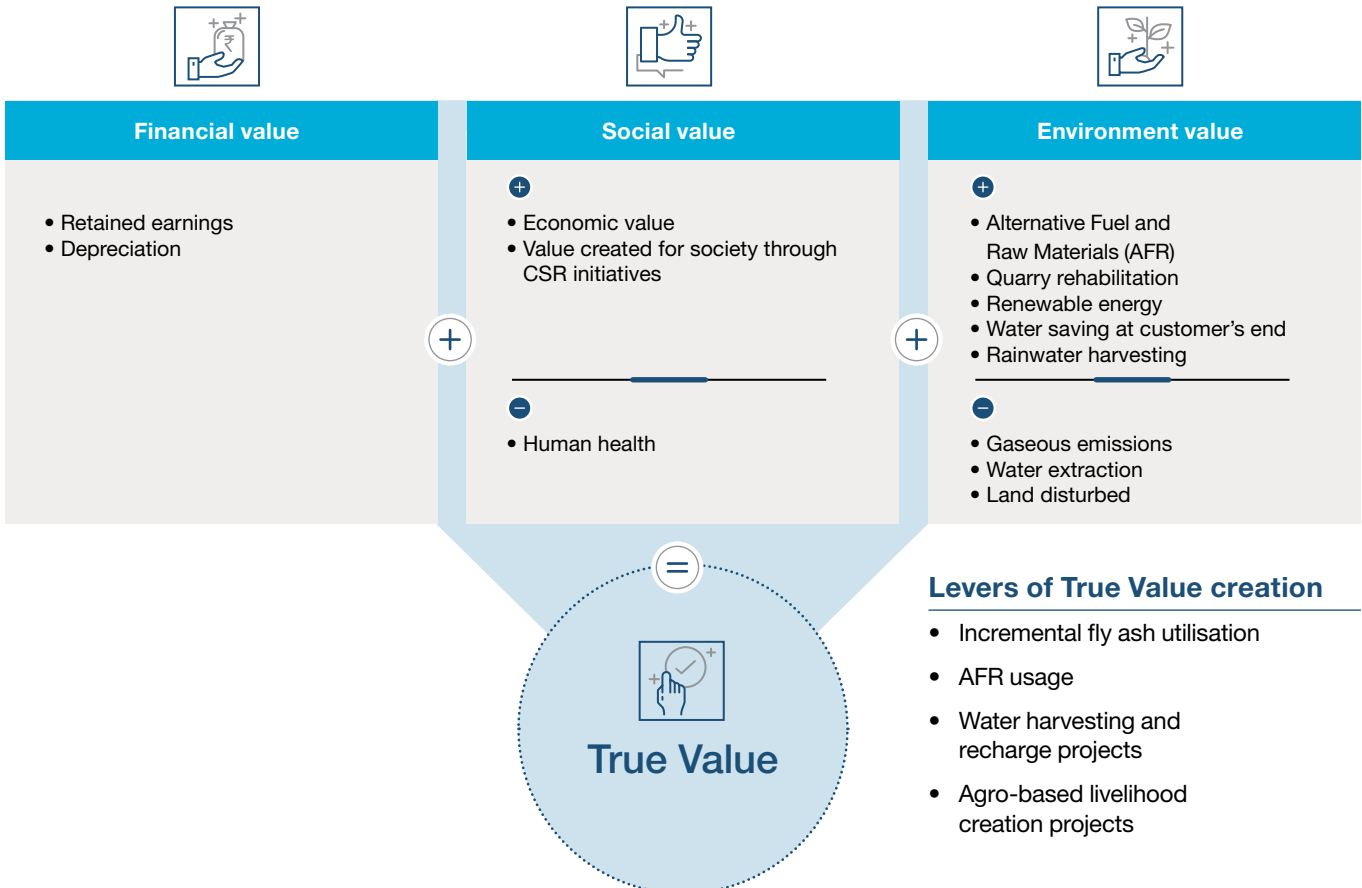
sustainability—people, planet, and profit—to emerge as the most competitive and sustainable company in the domestic cement industry.

True Value has helped us take strategic business decisions through a qualitative measurement of the Company’s impact on the environment and society. We have been able to identify a portfolio of cost-effective projects, reduce costs, increase earnings and subsequently increase ‘True Value’.

We reported incremental growth in ‘True Value’ over the years, driven by our sustainable, environmental and social interventions and supported by favourable macros at play.

True Value approach









We have adopted True Value accounting method for sustainability, which encompasses the three pillars of



SUSTAINABLE DEVELOPMENT AMBITION 2030

In line with the sustainability strategy of LafargeHolcim, Ambuja Cement's Sustainable Development Ambition 2030 provides critical thrust to our goal of achieving sustainable growth. It provides us with a broad framework for strategic

interventions to meet the challenges across four thematic areas—Climate, Circular Economy, Environment, and Community.

	 Climate	 Circular Economy	 Environment	 Community
Lead metrics	CO₂ emissions reduced (kg CO ₂ /t of cement)	Waste reused (Million tonnes)	Water saved (Freshwater withdrawal: L/t of cement)	Value shared (Million new beneficiaries)
Performance 2020	531	8.2	77	0.3
Target 2030	463	13.5	<75	0.8
SDGs impacted				

*Other than the above identified Sustainable Development Goals (SDGs), our activities under the four pillars also address various sub-targets of other SDGs.

Commitment to governance

Our commitment to governance started a number of years ago. It included creating a Board of Independent Directors, fair and transparent communication policies, strong internal controls and a detailed code of conduct. Our high level of governance ensures compliance with all the applicable laws.

We believe that good corporate governance emerges from the application of sound management practices,

compliances, coupled with adherence to the highest standards of transparency and business ethics. The significant progress we have made towards embedding sustainability in our organisational culture is reflected in our resilient business performance in a challenging environment.

GRI-102-18

Operating context

ATTRACTIVE MACRO DYNAMICS

Despite overwhelming challenges in 2020, we stood our ground and focused on the long-term opportunities in our operating landscape. Our core aspiration is to partner the building of Atmanirbhar Bharat.

According to a latest research document*, 17 of the 20 fastest-growing cities in the world between 2019 and 2035 are expected to be in India. This requires significant investment in urban infrastructure development and the impetus is already reflected in several government programmes, such as the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), the Pradhan Mantri Awas Yojana-Urban (PMAY-U), Swachh Bharat Mission-Urban, and other such initiatives. The government's substantial investment plans to ramp up the infrastructural capacity, is expected to bolster the country's economy in the coming years.

*Oxford Economics; Global Cities: The Future of the World's Leading Urban Economies to 2035

Strong demand surge

India continues to be the second-largest cement market, both in terms of production and consumption. With per capita consumption at ~235 kg vis-à-vis the global average of over 500 kg, the industry has significant growth opportunity.

India's cement demand is reflecting signs of recovery, driven by strong recovery in rural areas as well as in smaller towns. Extension of various government schemes is expected to spur housing demand. Besides, the enhanced access to funds at a significantly lower cost will boost real estate sales, which, in turn, is likely to push demand in India. Sustained efforts of the government towards infrastructure creation over the next few years is also perceived as a demand driver.

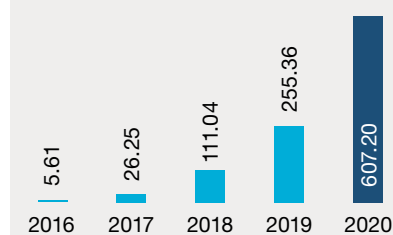
Growth drivers

We expect that the following factors will be among the key growth drivers of cement in India:

Housing for all

The Pradhan Mantri Awas Yojana (PMAY) was launched in 2015 to provide housing for all by 2022. Under the scheme, ~10 million houses were sanctioned in the urban area, of which ~4.2 million houses were completed (as on January 25, 2021).

Cement consumption in grounded houses (Lakh metric tonnes)



(Source: pmay-urban.gov.in)

Credit Linked Subsidy Scheme (CLSS)

The central government has extended the CLSS for the affordable housing segment from March 2020 to March 2021, with a direction to drive the segment.

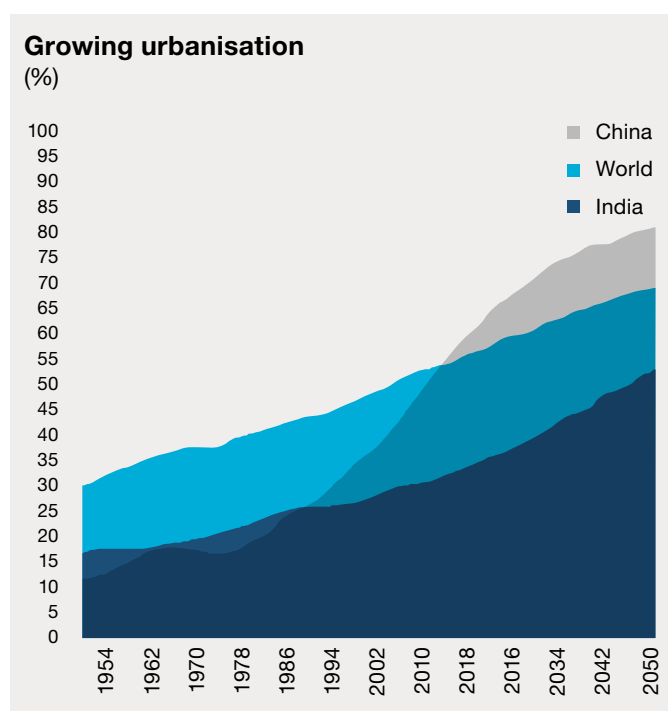
Demography

India has the second largest population with 62% in the working age group of 15-59 years, and more than 54% is under the age of 25 years. The young population is likely to drive demand for real estate in the country.

Faster urbanisation

It is expected that 40% of the population, or 600 million people, will be residing in urban areas by 2030, requiring 700-900 million square metres of residential and commercial space to be built every year till 2030

(Source: m.economictimes.com/news/economy/infrastructure/how-india-isbuilding-cities-of-the-future/articleshow/69964522.cms?_oref=cook).



(Source: Knight Frank)

Nuclearisation

The average household size in India has declined from 5.3 members in 2011 to 4.6 members in 2019. Nuclearisation is further expected to add ~6-7 million households per year.

Focused on highways

The Centre has earmarked a ₹2.02-lakh crore investment plan to build highways in the next financial year 2021-22. This along with increasing focus on road concretisation will drive demand for cement.

National Infrastructure Pipeline (NIP)

The National Infrastructure Pipeline aims to invest ₹111 lakh crores by 2025 in multiple projects spanning transport, energy, social and commercial infrastructure, communication, water and sanitation, among others.

Rural income

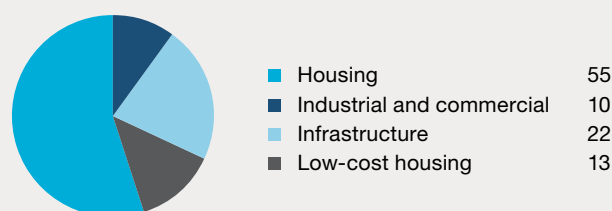
Increased Minimum Support Price (MSP) as well as allocation for various projects are helping support farming

income and rural economy. Enhanced allocation of funds for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is also helping enhance rural income.

Responding to sectoral opportunities

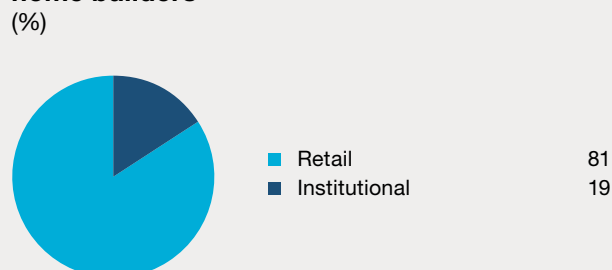
- The housing segment, including low-cost housing, accounts for over 65% of the cement demand in India. Ambuja Cement focuses on IHBs and the retail market. With an installed capacity of 29.65 MTPA across five integrated plants and eight grinding units, we command close to ~8% market share across the North, East, North-west and West-south Indian markets with the help of ~50,000 channel partners
- Our value-added offerings help consumers enhance the life of their constructions
- We are commissioning a state-of-the-art greenfield integrated plant at Marwar Mundwa in Rajasthan with 3.0 MTPA clinker and 1.8 MTPA cement capacity to grow our market share and further gain from economies of scale
- Our technical tie-up with our parent, LafargeHolcim, helps us in streamlining our operations in line with global best practices and helps us to introduce innovative products suited to the needs of the Indian market

Housing remains the largest cement consumer (%)



(Source: IBEF)

Ambuja Cement is focused on the individual home builders (%)



Engaging with stakeholders

CONVERSATIONS THAT TAKE US FARTHER

Frequent and effective engagement with stakeholders allows us to integrate their expectations in our strategy template.

We believe such a process helps strengthen stakeholder trust in our brand.

Identification and prioritisation of stakeholders

- Stakeholders directly/indirectly impacted or influenced by business activities
- Stakeholder inclusivity
- Business dependency and criticality of the stakeholder
- Peer companies' stakeholders

GRI 102-42

GRI 102-40, 102-43, GRI 102-44



Shareholders and investors

Key issues/ expectations

- Economic performance
- Apprehension to invest in the cement sector owing to oversupply
- Public advocacy on green cement
- Cost savings and optimum resource utilisation

Engagement process

- Annual General Meeting (AGM)
- Annual report
- Quarterly media releases
- Investor presentation
- Annual earnings call

Frequency

- Held one-on-one shareholder interaction when requested

Company response

- Collaborated with different stakeholders to promote sustainable products
- Positive vibrations in the Indian economy and government initiatives like 'Make in India' and 'Smart Cities' increased the demand for cement
- Deployed innovative approaches such as sea transportation to encourage cost savings



Dealers

- High level of customer satisfaction
- Dealers' network
- Maintaining brand reputation

- Channel satisfaction survey
- Grihalakshmi conference
- Annual meeting
- Marketing meetings

- Once in two years (survey)
- Annual/continuous process

- Various engagement activities and feedback mechanisms are conducted to measure and monitor channel partner satisfaction (NPS and Satmetrix, among others)



Suppliers

- Transparent procurement system
- Suppliers' knowledge programmes to reduce their risks
- Addressing supplier grievances
- Supplier network

- Suppliers' meet
- Periodic interaction and assessments

- Spread across the year

- Systematic efforts are made to build and maintain long-term relations with suppliers
- Regular focused group approach is followed to strengthen supplier relationships, listen to and address transporters' concerns
- Handholding is provided for vendor development through our supplier assessment practice



Customers




- Affordable branded products
- Customer satisfaction and retention
- Climate strategy to reduce products' environmental impact
- Product use knowledge to save resources, with less impact on the environment

- Technical Services team camps
- Workshops
- Seminars
- Site visits

- Spread across the year

- Ambuja Cement is developing sustainable products and services that reduce the consumption of energy and other resources for the customer. This will also lead to increased customer satisfaction and retention, alongside enhanced brand image
- Our knowledge sharing initiatives create great value for our customers and end-users

Engaging with stakeholders

	 Employees	 Community and NGOs	 Government and regulatory agencies
Key issues/ expectations	<ul style="list-style-type: none"> • Healthy and safe workplace • Employee leadership and development programmes • Regulatory compliance 	<ul style="list-style-type: none"> • Continued positive engagement • Sustainable mining, water conservation and land reclamation practices • Health and safety of stakeholders in operations and logistics 	<ul style="list-style-type: none"> • Regulatory requirements and compliance • Product innovation and standards for minimising resource utilisation
Engagement process	<ul style="list-style-type: none"> • Employee engagement survey • Function-specific meetings and newsletters • Magazines — I CAN • Townhall and events 	<ul style="list-style-type: none"> • Ambuja Cement Foundation (ACF) • Community Advisory Panel (CAP) • Site-specific impact assessment 	<ul style="list-style-type: none"> • Meetings • Communications on proposed legislations
Frequency	<ul style="list-style-type: none"> • Once in two years (survey) • Continuous process/ quarterly/monthly 	<ul style="list-style-type: none"> • Continuous process 	<ul style="list-style-type: none"> • Continuous process
Company response	<ul style="list-style-type: none"> • Various safety awareness programmes; ‘Zero Harm’ is one of our priorities • Training programmes conducted to nurture leadership at all levels • Transformational initiatives like ‘I Can’ drives the right mindset in the Company’s leadership 	<ul style="list-style-type: none"> • ACF attends to the needs of the community • Our Skill and Entrepreneurship Development Institutes (SEDIs) foster self-employment and livelihood development • Water conservation projects, land reclamation and biodiversity action plans • Social Return on Investment (SROI) study conducted for our SEDI projects revealed returns in the range of 4 to 8 times the investment in Kodinar (Gujarat), Nagpur and Chandrapur (Maharashtra), Sankrail (West Bengal), Chirawa (Rajasthan) regions 	<ul style="list-style-type: none"> • Ambuja Cement ensured compliance in all areas • New emission control equipment is installed to comply with standards for the cement sector in India • Product innovation and BIS certification are proactively followed



Media

- Transparent disclosure
- Information sharing

- Press briefings
- Events
- Site-specific impact assessment
- Community Advisory Panels (CAP)

- Need-based
- Site-specific impact assessment, once in three years at each site

- Engage with the media through various events and conclaves
- Media releases for new initiatives
- Webinars with internal and external stakeholders
- Print, television and online media advertisements



Construction professionals

- Right product selection
- Process of good construction
- Troubleshooting
- Knowledge on product quality and applicability

- Ambuja Knowledge Centres

- Continuous process

- We engage in providing training to construction professionals on regularly
- Our digital platforms also help us to stay connected with construction professionals to discuss various technical and practical upgrades in the sector



Industry associations

- Issues faced by the Company/industry
- Need for policy interventions
- Policy advocacy to promote Sustainable Development practices in business and value chain

- Meetings
- Policy papers
- Tele-conferences
- Delegation

- Need-based

- Through industry associations, we discussed various sector-specific issues on sustainability topics like carbon emission reduction, new groundwater guidelines, other environmental regulations etc. We also submitted our representations to government authorities through these associations

Material topics

IDENTIFYING ISSUES INTEGRAL TO GROWTH

We undertook a comprehensive materiality assessment to identify, understand and assess the issues that have the greatest impact on long-term value creation. While our material issues continue to evolve given the dynamics of our operating environment and stakeholder expectations, the broad focus areas related to sustainability, remain constant.

We conduct a comprehensive stakeholder engagement exercise, based on a well-defined, closed-loop approach that includes identification of stakeholders, prioritisation, engagement strategy development, preparation and implementation of the action plan to complete the feedback loop of the system. The prioritisation of material topics related to performance, people, and planet is well aligned with Ambuja Cement’s strategic pillars.

GRI 102-45, 102-48, 102-49, 103-1, GRI 102-47

The boundaries of all material topics which are under the purview of direct operational control of Ambuja Cements Limited have been identified but not those of its subsidiaries. However, we also focused on the overall impact from the operations of our subsidiaries, acquisitions, or change of base years/periods, nature of the business, or measurement methods. In terms of the size of the Company, there were no significant changes.

GRI 102-9, 102-10



Material topics under the Three Pillars of Sustainability

 <h4>Environment</h4>	 <h4>Social</h4>	 <h4>Governance</h4>
<ul style="list-style-type: none"> • Energy efficiency* • Circular economy* • Biodiversity* • Sourcing of water* • Greenhouse Gas (GHG) emissions and climate change* • Other air emissions* • Waste management • Relocation and rehabilitation (post mine closure) • Green supply chain (logistics and transportation) 	<ul style="list-style-type: none"> • Health and safety* • Corporate social responsibility (CSR)* • Human rights • Employee training • Gender equality • Labour issues • Attraction and retention of talent • Land acquisition for mines and new operations 	<ul style="list-style-type: none"> • Compliance with regulatory requirements* • Customer satisfaction* • Public policy and advocacy* • Economic performance* • Sustainable constructions* • Code of conduct • Transparency and corporate governance • Procurement practices • Indirect economic impact • Sustainable supply chain • Marketing communication and reputation • Capacity utilisation and current demand

■ External ■ Internal ■ Internal and external *High priority for business and stakeholders

Risk management

RESPONDING TO CHALLENGES PROACTIVELY

It is imperative to identify, analyse and mitigate the key risks to achieve our strategic objectives, protect stakeholder interests and ensure regulatory compliance.

We take both ‘top-down’ and ‘bottom-up’ approach for assessment of risks and opportunities. The identified risks are relevant for us over a period of one to three years. We have identified more than 45 risks, which are classified into three broad categories – strategic risks, operational risks and external risks. Thereafter, we have prioritised the top 10 risks across categories that have material impact on our operations, profitability and cash flows.


GRI-102-11, 102-28 TO 102-34





The Risk Management Committee of the Board assesses and provides oversight to management relating to identification and evaluation of the identified risks, including Sustainability, Information Security, etc.

Key risks associated with the climate/environment are identified and mapped as per the disclosure standards prescribed by the Task Force on Climate-related Financial Disclosure (TCFD).

Primary risks

The following table represents the primary risks identified by us for having significant potential impact on our business. We have devised and applied relevant mitigation strategies for each risk, depending on the gravity of impact and likelihood of occurrence.



Key risks	Mitigation strategy
 <p>Maintaining market position</p> <p>Continue to maintain and then build on the market position in times of High volatility, Uncertainty, Complexity, and Ambiguity (VUCA), especially given the demand contraction caused by COVID-19 pandemic</p>	<ul style="list-style-type: none"> The positive macro-economic environment, government support and our own capex plans will help us address India’s growing cement demand



Key risks	Mitigation strategy
 <p>Resource availability and price</p> <p>A rise in input costs increases overall cost of production</p>	<ul style="list-style-type: none"> • Exploring new contracts to secure competitive supply sources, wherever possible • Infrastructure for absorbing approved raw materials of different kinds • Investing in infrastructure to ensure seamless availability of fly ash
 <p>Environment and sustainability</p> <p>Environment protection is of paramount importance, considering the energy-intensity of the sector</p>	<ul style="list-style-type: none"> • Ambuja Cement has a formalised Sustainability Policy, Green Procurement Policy, and Climate Change Mitigation Policy envisaging commitment to climate change mitigation and adaption at planning and operations level in the most responsible and fruitful manner • Various initiatives are being undertaken to arrest the adverse impact caused by our production activities, such as installation of bag filters to reduce dust pollution, extensive plantation and creation of green belts to de-risk and protect the environment • The Company has always been proactive in measuring and reporting its carbon emissions as per the protocol of the World Business Council on Sustainable Development (WBCSD) • Scope-1, 2 & 3 carbon emission from all our plants is verified by an independent third party
 <p>Cyber security</p> <p>Threat from cyber attacks</p>	<ul style="list-style-type: none"> • Online cyber-security awareness campaign on phishing and e-mail security for WFH scenario are conducted on a regular basis • Network devices, server operating system and hardware are refreshed periodically • Data classification, Data Leak Prevention (DLP) and Cloud Access Security Broker (CASB) are implemented to ensure safety and smooth functioning of the organisation
 <p>Health and safety</p> <p>Ensuring health and safety of employees in the organisation</p>	<ul style="list-style-type: none"> • Necessary steps taken to ensure 'Zero Harm' and protect employees, contractors and third parties from injury, illness or fatality, both onsite and offsite • Robust implementation of guidelines on 'Operating with and without COVID', handling of day-to-day operations and surge requirements (shutdowns, maintenance, etc.) along with focus on personal behaviour while at work • Emergency preparedness in line with the COVID Trigger and Response Plan (TARP), along with mental resilience programme

Risk management



Sustainability related risks and opportunities

Following are the identified sustainability related risks and opportunities and Ambuja Cement's responses to address them appropriately:



Key risks and/or opportunities	Mitigation initiatives	Material topics
 <p>Energy</p> <p>Energy cost remains one of the major cost components for cement manufacturing. Escalation in energy cost, stressed supply and quality fluctuations remain major concerns</p>	<ul style="list-style-type: none"> • Optimising energy consumption through process improvements, green fuels and increased production of blended cements • Use of waste-derived alternative fuels (hazardous and non-hazardous) sourced through our waste management unit Geocycle • Safeguarding against the risk of energy price inflation by diversifying fuel mix/sources, coal block acquisition, and by negotiating long-term supply contracts 	<ul style="list-style-type: none"> • Energy efficiency • Economic performance
 <p>Water availability</p> <p>Water availability has become a significant risk area, considering the depleting water tables</p>	<ul style="list-style-type: none"> • Optimising water use through prudent utilisation and harvesting initiatives • Tracking specific freshwater withdrawal, consumption and efficiency through monthly Water Management Reports (WMRs) for efficient utilisation • The Sustainability Committee and executive committees of the management regularly monitor the performance of water-related KPIs • Our Sustainable Development Ambition 2030 lays down a target to reduce specific freshwater withdrawal by 15% by 2030 	<ul style="list-style-type: none"> • Sourcing water • Waste management
 <p>Sustainable construction/ green building</p> <p>Ensuring optimum resource utilisation and minimising environmental impact of various materials in construction. There is a likelihood of strong regulatory measures to promote the use of environment-friendly materials. This is also an opportunity to launch innovative solutions with environmental benefits for downstream use</p>	<ul style="list-style-type: none"> • Emphasis on sustainable construction with internal product development, R&D and technical services to consumers • Addressing sustainability issues in the construction sector through Ambuja Knowledge Centre for sustainable construction • Created a responsible product portfolio (~90% of our product portfolio is low carbon fly ash-based PPC and composite cement such as PuraSand, AAC Cool Wall Blocks, Ambuja KAWACH, Ambuja Roof Plus, Composite Plus) 	<ul style="list-style-type: none"> • Sustainable constructions • Circular economy (AFR) • Economic performance • Customer satisfaction • Marketing communication and reputation

Key risks and/or opportunities	Mitigation initiatives	Material topics
 <p>Logistics</p> <p>Increasing logistics expense and distribution cost are concern areas for the industry. Rail is a preferred mode of transport for distances above 250 km; however, rail transport has always been impacted by the shortage of wagons, particularly during the peak period. Policies of the Railways (preference to food and power companies) have posed a challenge in the movement of cement to the consumption centres, adversely impacting the production schedule and increasing the overall transportation cost</p>	<ul style="list-style-type: none"> • Incrementally increasing cement movement through the sea route to optimise distribution costs. We are strengthening our distribution network along the country's coastline • Steadily reducing the distribution and logistics costs by enhancing transportation through the rail network by collaborating with Indian Railways in terms of long-term freight revenue commitment and assurance for the availability of wagons 	<ul style="list-style-type: none"> • Air emissions • GHG emissions and climate change • Green supply chain (logistics and transportation)
 <p>Mining</p> <p>Limestone and other fuel mining are core to cement manufacturing. The key challenges associated with mining operations are land acquisition, mineral distribution, mineral quality, mine rehabilitation, biodiversity, and groundwater table intersection</p>	<ul style="list-style-type: none"> • Extracting limestone from our captive mines, allows us to have better operational control and maintain quality • Using state-of-the-art environment-friendly and safe mining techniques, ensuring minimal disturbance to the people, land and environment • Using Overland Belt Conveyor (OLBC) systems for the transportation of limestone from the mines to the cement plant • Ensure mine rehabilitation and biodiversity protection post-mining as key aspects in our mines planning and operations • We are a signatory to the India Business and Biodiversity Initiative (IBBI) of the Confederation of Indian Industry (CII) & Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and implement International Union for Conservation of Nature (IUCN) guidance 	<ul style="list-style-type: none"> • Conformance to regulatory requirements • Health and safety • Land acquisition for mines and new operations • Relocation and rehabilitation (post mine closure) • Green supply chain (logistics and transportation)

Risk management

Key risks and/or opportunities	Mitigation initiatives	Material topics
 <p>Local communities</p> <p>We have manufacturing sites in rural areas of India. Rural communities suffer from widespread income inequalities, which often become a reason for discontent and social unrest</p> <p>In addition, there are demographic changes owing to the large inflow of migrant workers/truck drivers in the area. The communities have high expectations from Ambuja Cement. Support from the communities help in the smooth running of business</p>	<ul style="list-style-type: none"> • Our CSR arm, the Ambuja Cement Foundation (ACF), has enhanced community engagement over the years • We have established Community Advisory Panels in our locations comprising representatives from the Company and community to discuss community issues and arrive at a consensus to implement programmes for them • We rigorously monitor all programmes through the Social Engagement Scorecard 	<ul style="list-style-type: none"> • Corporate social responsibility (CSR) • Health and safety • Human rights • Public policy and advocacy • Transparency and corporate governance • Indirect economic impact
 <p>Regulatory changes</p> <p>Changes in regulations take place in a fast-developing country like India, in areas like environment, tax and competition, among others. Non-compliance can lead to reputational and financial consequences, while compliance too comes at a cost for innovation, alternatives, transformation and upgradation, among others</p>	<ul style="list-style-type: none"> • We ensure compliance in all areas. New emission control systems have been installed to comply with the new emission standards for cement industry 	<ul style="list-style-type: none"> • Compliance with regulatory requirements • Public policy and advocacy • Economic performance • Transparency and corporate governance

Emerging risks and opportunities

Key risks and/or opportunities	Mitigation initiatives	Material topics
 <p>Scarcity of natural resources</p> <p>The cement industry is dependent on supply of natural resources such as limestone, coal and other minerals at an optimum cost and quality. Depleting reserves, new regulations, availability, price, and currency exchange rate volatility, and so on have led to a steady increase in the cost of raw materials, power and fuel</p>	<ul style="list-style-type: none"> • We recognise the pressure on natural resources arising out of the nature of our business. We have evolved our portfolio and processes with products and solutions that reduce the risk of unsustainable consumption of natural resources like limestone, fossil fuel (coal) and other resources like water • Our circular economy model helps us address certain concerns arising from scarcity of natural resources by utilising waste-derived resources 	<ul style="list-style-type: none"> • Circular economy (AFR) • Biodiversity • Energy efficiency • Compliance with regulatory requirements • Procurement practices • Waste management
 <p>Climate change</p> <p>Being in an energy and resource-intensive industry, climate change poses risks which are evident in our operations and their mitigation represents a key aspect of our sustainability strategy</p> <p>Increase in the frequency and intensity of precipitation/extreme weather events such as cyclones can lead to floods and submergence that can potentially disrupt our supply chain and operations including our sea transport terminals</p> <p>From the transitional risk perspective, we face regulatory risks such as increase in carbon tax on coal, Renewable Purchase Obligations (RPO), volatility in fossil fuel prices and increase in prices of AFR due to growing market demand</p>	<ul style="list-style-type: none"> • We have identified four focus areas to lower carbon emission in our operations. These areas are: reduction in clinker factor; improving electrical and thermal energy efficiency and process technology; waste heat recovery; and optimising fuel composition, including the use of wastes as fuel • We produce blended cement (PPC and Composite Cement are ~90% of our total product portfolio) by consuming other industrial waste materials like fly ash, slag and so on • We are also investing in developing our onsite and offsite renewable energy capacities at various plant locations • We are monitoring and reporting GHG emissions as per the World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI) Protocol • Our climate change risk assessment based on TCFD guidelines, also helped us identify the action plans to address the risks and opportunities. The identified opportunities are to the tune of 7% of EBITDA (as in 2020) 	<ul style="list-style-type: none"> • GHG emissions and climate change • Air emissions • Biodiversity • Energy efficiency • Circular economy (AFR)

SOLID STRENGTH. CAN TAKE CARE OF LIQUIDITY.



Keeping a tab on the daily liquidity scenario



Inventory cycles expedited for faster capital conversion



Capital channelised on quick return projects



COVID-19 presented a multi-pronged challenge. Generating and protecting cash was one of them.

Working capital woes could potentially impact business continuity, if not resolved expediently. We got to work, with urgency, and a solution-centric approach.

With little time on hand, meant action had to happen at the speed of thought.

We quickly developed a cash dashboard that allowed us to track daily liquidity scenarios. Next, we initiated steps to shorten inventory cycles and rigorously followed up on payments. By doing this daily, and repeatedly, we were able to achieve faster cash conversion and reduce our daily sales outstanding. At the same time, our treasury function moved to deploy cash in highly secured instruments to protect investments. Lastly, the capex plan was reoriented to focus on critical and quick payback projects.

AMBUJA CEMENT'S ROBUST LIQUIDITY POSITION WAS BY DESIGN AND NOT CHANCE. IT IS THE RESULT OF DAILY APPLICATION OF THE 'I CAN' SPIRIT - GOING THE EXTRA MILE, AND IDENTIFYING OPPORTUNITIES, ESPECIALLY IN A CRISIS.





FINANCIAL CAPITAL

We strive to optimise returns for providers of our financial capital. We invest our surplus in attractive growth opportunities in our core market. Financial capital is generated annually from surplus arising from current business operations and through financing activities, including raising debt and equity aligned with market conditions and internal strategic planning.

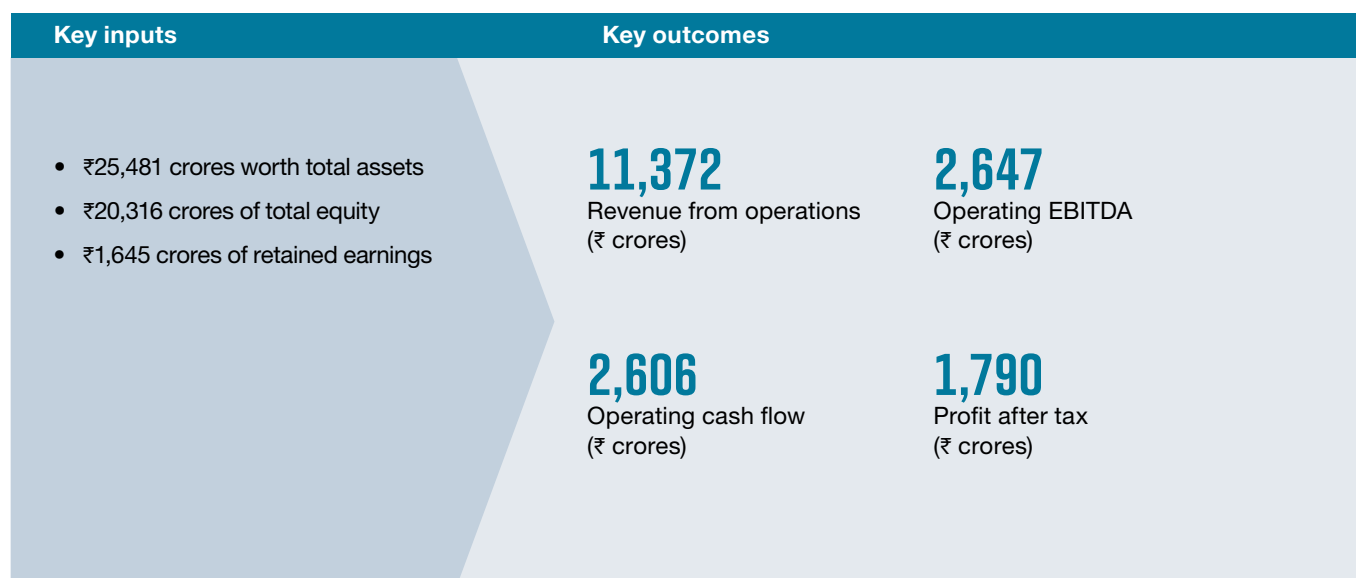
We ensure that the regular operations are at an optimum level. Our operational KPIs are compared with internal and external benchmarks to achieve, higher productivity and yields. Our innovative marketing initiatives and various ongoing digital programmes provide better customer connect and reach, and higher realisations. This operational efficiency enables us to generate positive cash flows from operations. We have a robust financial planning process that assesses the requirement of funds for sustainable business operations as well as for investments towards present and future business sustainability and growth opportunities.

During 2020, we performed exceedingly well on most parameters. We streamlined our operations to achieve better efficiencies and moderated our operating costs. The benefits thus accrued have been deployed in relevant growth areas.

SDGs impacted



2020 Highlights: Strengthening fundamentals, enhancing returns



Impact on other capitals



Human capital

Invested in talent management, learning and development



Manufactured capital

₹985 crores spent towards capex



Intellectual capital

Investments in innovation and digital transformation



FINANCIAL CAPITAL



Relationship capital

₹64 crores spent on promotional and branding exercises



Social capital

₹53.97 crores spent on CSR activities



Natural capital

Emission and resource optimisation initiatives helped in strengthening profitability

Stakeholders impacted

- Shareholders and investors
- Employees
- Dealers
- Suppliers
- Community and NGOs

Material issues addressed

- Marketing communication and reputation
- Economic performance
- Procurement practices

Key risks addressed

- Maintaining market position

Financial capital

Overview

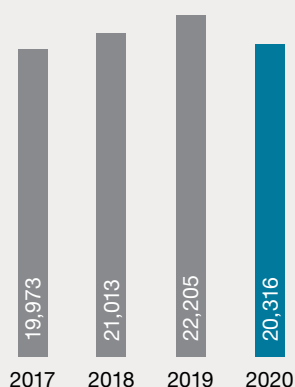
Despite the challenges posed by COVID-19 resulting in a decline in topline, Ambuja Cement strengthened its profitability and cash flow from operations.

Balance sheet analysis

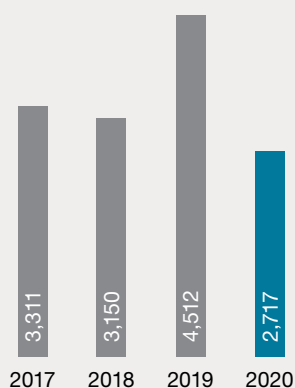
Our balance sheet continues to be strong with a net worth of ₹20,316 crores. Our cash and cash equivalent amounted to ₹2,717 crores as on December 31, 2020 vis-à-vis ₹4,512 crores in 2019.

Our effective utilisation of capital and strong EBITDA helped us post 200 basis points increase in return on capital employed over 2019.

Net worth (₹ crores)

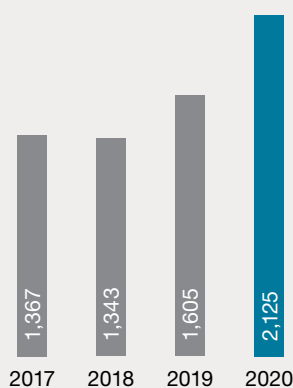


Cash and cash equivalents* (₹ crores)



*In 2020 cash and cash equivalents decreased, mainly on account of interim dividend given @ ₹17 per share

EBIT (₹ crores)



P&L analysis

Ambuja Cement reported a 2% decline in sales from ₹11,353 crores in 2019 to ₹11,175 crores in 2020. The decline was largely owing to the loss of sales during the last weeks of March and the entire month of April owing to the lockdown imposed by the government to contain the COVID-19 spread in the country.

However, in the subsequent months, our sales picked up substantially, led by strong rural housing construction activities. We reported 23% growth in EBITDA and 17% growth in Net Profit over 2019, owing to lower input cost as well as stringent cost-management initiatives. As a result, our EBITDA margin and PAT margins improved by 480 basis points and 260 basis points, respectively over 2019.

The post-lockdown period saw the firming of cement prices, resulting in a per tonne realisation of ₹4,930 in 2020 against ₹4,718 in 2019 (including special products). The realisation strengthened across regions with North India witnessing significant growth.

Cost control was our primary focus area and total cost per tonne of cement produced reported 3% decrease during the year. This was driven primarily by stringent cost-management initiatives as well as lower input costs.

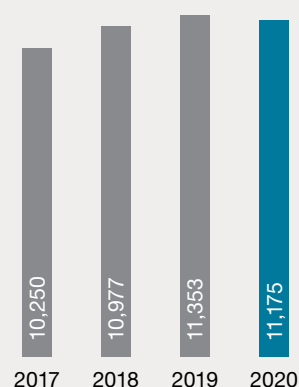
Our power and fuel cost, comprising 24% of the total cost, reduced 8% per tonne for the full year largely due to

favourable market trends and efficiency gains. Our Master Supply Agreement (MSA) with ACC has started providing many benefits for Ambuja Cement and logistics was one part of it.

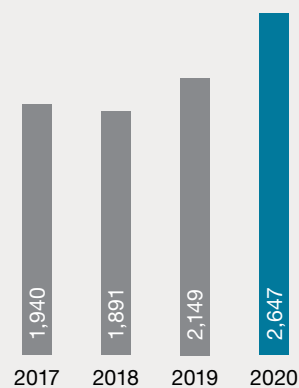
Freight and forwarding cost per tonne reduced by 2% over 2019, owing to better logistics efficiency and results of the MSA. The use of wet fly ash, lower cost and better raw material mix helped us save 7% in raw material cost over 2019. Other expenses per tonne also dipped by 8% for the year due to constant focus on fixed cost optimisation and operating leverage.

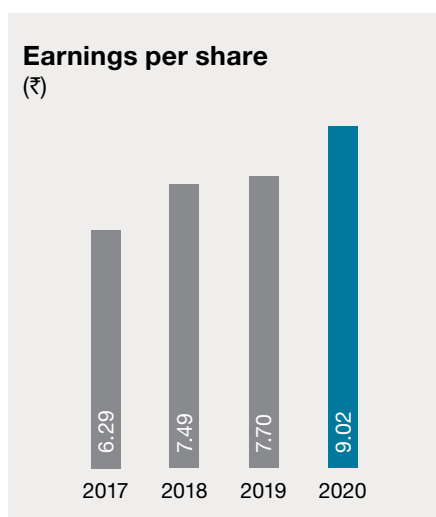
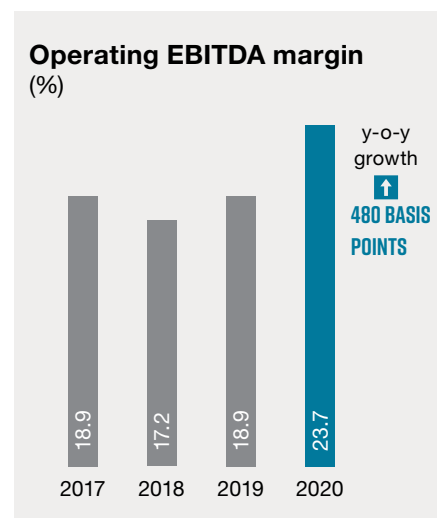
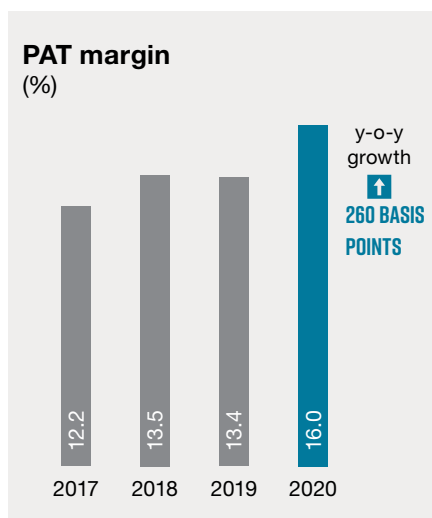
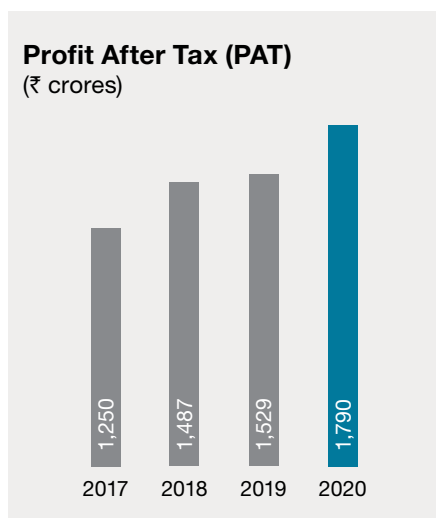
GRI 201, 202, 203

Net sales (₹ crores)

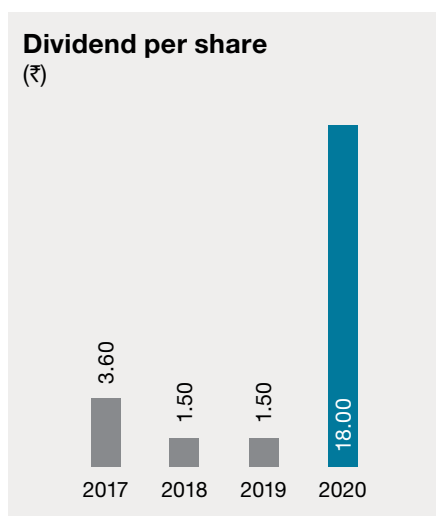
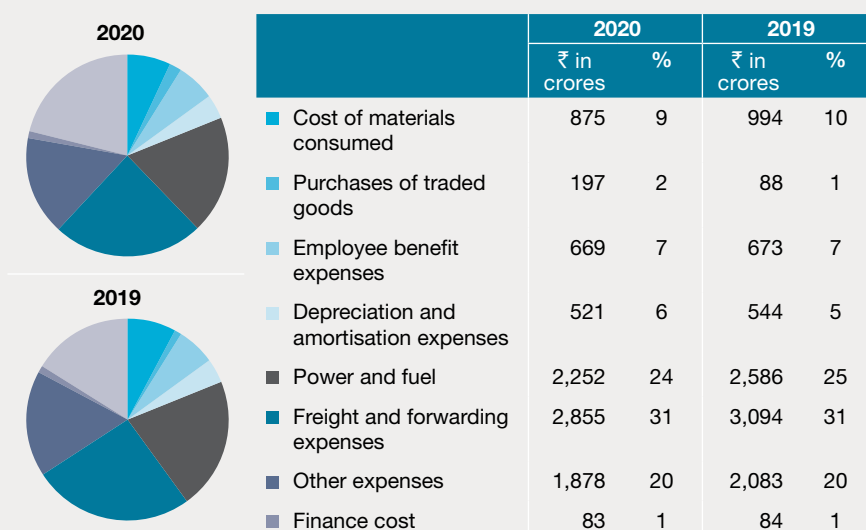


Operating EBITDA (₹ crores)





Cost break up as a percentage of total cost



Cash flow analysis

To counter the adverse impact of the pandemic and maintain liquidity, we ensured cash conservation was a part of our strategic priority.

Our cash flow from operating activities increased to ₹2,606 crores vis-à-vis ₹2,484 crores in the previous year.

Cash used in investing activities declined to ₹641 crores (2019: ₹737 crores).

Net cash balance decreased by ₹1,796 crores, mainly on account of a interim dividend (@ ₹17 per share) given to all shareholders (in 2019, there was an increase in net cash by ₹1,359 crores).

PUNCH ABOVE YOUR WEIGHT. WHEN STAKES ARE HIGH.



Modernised
equipment



Zero operational
bottlenecks



Strategic and locational
advantage



Ambuja Cement's Sankrail plant enjoys a strategic locational advantage in eastern India, with a home market radius of ~150 km. It is a highly productive and profitable plant. But could it produce more than its historical average of 1.6-1.8 lakh tonnes per month, given that cement demand in the region was very high post lockdown? Could we ramp up production to over 2 lakh tonne a month?

Despite an upgrade and expansion in 2015, the overall equipment reliability was low. The management challenged the plant team to get production up to 100% rated capacity, i.e., 2.4 million tonnes, nearly 25% more than the 2019 figures.

The team got to work. They came up with a two-pronged strategy – minor repairs and modifications for immediate ramp-up and a de-bottlenecking solution for the longer term, involving a minor capex. Also, an increased collaboration with internal teams (marketing and logistics) ensured faster despatch of materials and regular availability of silo.

In the first month after rollout, the Sankrail plant produced and despatched 2.35 lakh tonnes, and is now capable of meeting the management's challenge of 2.4 million tonne production. It won the 'Best Supporting Plant' award in 2020; followed by several records in operational efficiency, cost parameters, and further improvements in plant operations.

FULLY COMMITTING TO THE 'I CAN' SPIRIT INVIGORATES EVERYONE. THE CHALLENGE BROUGHT ABOUT A NEW SPRING IN THE TEAM'S STEP, AND EACH WAS INSPIRED ENOUGH TO WIN. AGAINST THEMSELVES.





MANUFACTURED CAPITAL

Our value-added portfolio is underpinned by our strong manufacturing capabilities and the integration of various aspects of our supply chain.

75

Capacity utilisation (%)

22.26

Cement production during 2020 (million tonnes)

Numbers for the year 2020

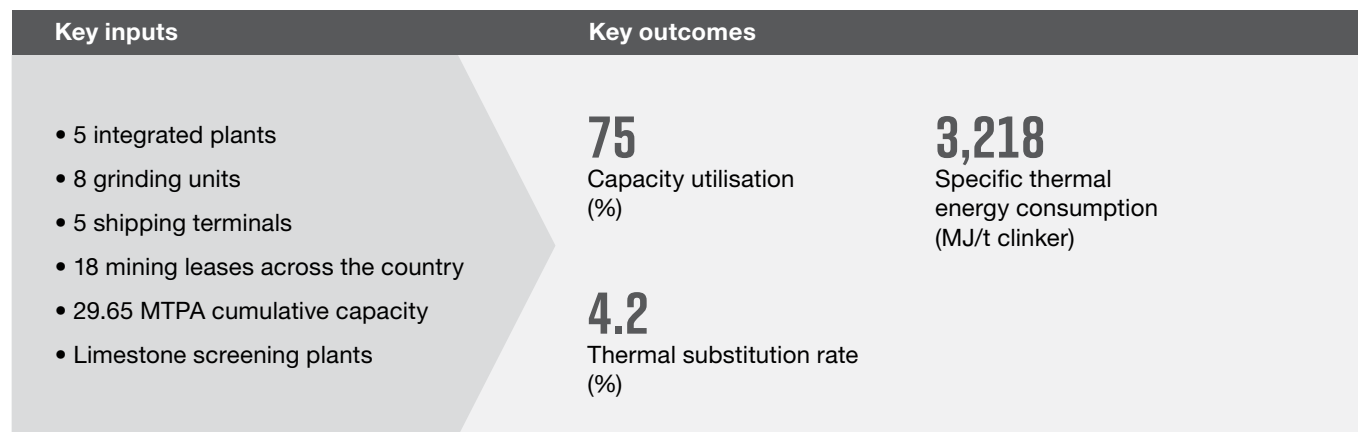
SDGs impacted



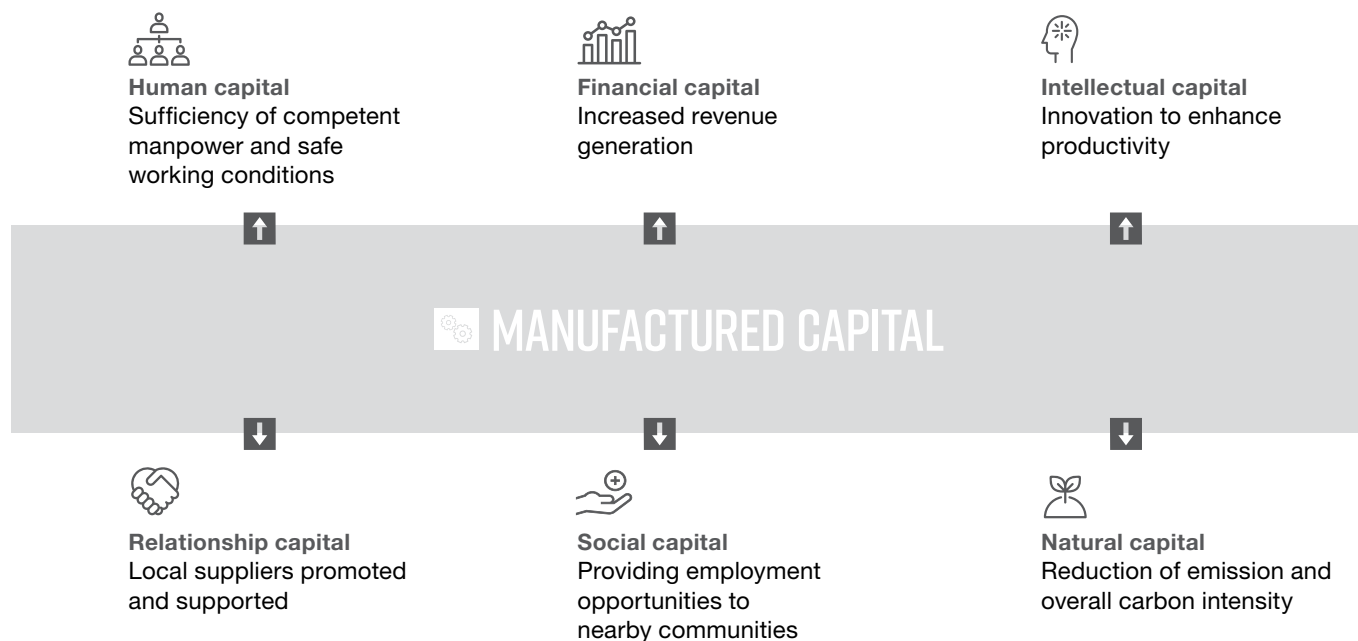
With a cumulative 29.65 MTPA manufacturing capacity across five integrated units and eight grinding units, Ambuja Cement is one of India's most trusted cement manufacturing companies.

Our state-of-the-art manufacturing operations are backed by coal and limestone mining leases, captive power plants and port terminals, helping it maintain cost-competitiveness and production efficiencies

2020 Highlights: Optimising consumption, reducing carbon footprint



Impact on other capitals



Stakeholders impacted

- Dealer
- Suppliers
- Employees
- Government and regulatory authorities
- Construction professionals

Material issues addressed

- Capacity utilisation and current demand
- Land acquisition for mines and new operations
- Energy efficiency
- Compliance to regulatory requirement

Key risks addressed

- Maintaining market position
- Scarcity of natural resources

Manufactured capital

Development and efficiency capex

At Ambuja Cement, we undertake a host of expansion projects to strengthen our market positioning and evolve a more efficient, cost-effective, reliable and environment-friendly business model.

Though the pandemic temporarily halted the expansion project, we restarted the projects with all the necessary guidelines prescribed by the government.

Ongoing projects

- We are setting up a greenfield integrated plant with a capacity of 3.0 MTPA clinker, 1.8 MTPA cement grinding and waste heat recovery system at Marwar Mundwa in Nagaur District of Rajasthan with a total investment of ~₹2,350 crores
- With a view to secure fuel resources for long-term, we acquired a coal block at Gare-Palma sector IV/8 in Chhattisgarh through an e-auction. Open cast mining has commenced commercial production from October 2018. It is expected that underground mining will commence by Q3 2021
- To secure long-term limestone requirement for Bhatapara plant, we acquired a new limestone mining lease at Maldi Mopar. We have already received the environmental clearances and other required approvals for the lease. The project is expected to be commissioned by Q3 2021. The project entails a total investment of ~₹200 crores
- To strengthen our logistical capability and to efficiently reach out to customers, a new railway siding project is in progress at the Rabriyawas unit in Rajasthan at an investment of ~₹210 crores. The project is expected to be completed by Q3 2021
- To secure the long-term limestone requirement for the Ambujanagar plant in Gujarat, we acquired a

new mining lease at Lodhva. The environmental clearance and other required approvals for the mining lease have already been obtained. The land acquisition process is in progress, along with the development and infrastructure works

- With an aim to minimise power cost and enhance use of green power, we are setting up waste heat recovery-based power plant at Darlaghat and Bhatapara plants at a total investment of ~₹400 crores. The projects are expected to be completed by 2022
- To meet the limestone requirement, we have invested ₹20 crores to purchase land at Ambujanagar

Upcoming capacities and investments

- To secure long-term limestone requirements of Maratha Cement Works plant in Chandrapur, Maharashtra, we have acquired a new mining lease at the Nandgaon Ekodi mine. Environmental clearance and other required approvals for mining are in progress
- In continuation of the power cost reduction journey and usage of green power, we have initiated a plan to set up a waste heat recovery-based power plant at the Ambujanagar and Maratha plants, in Gujarat and Maharashtra, respectively
- To ensure adequate availability of dry fly ash, we have planned to set up fly ash dryers/hot air generators at Ropar and Bathinda (Punjab), Nalagarh (Himachal Pradesh), Dadri (Uttar Pradesh), Roorkee (Uttarakhand) and Rabriyawas (Rajasthan) for an estimated investment of ₹100 crores

Manufacturing performance

Despite operating challenges during the year under review in the wake of COVID-19, we, at Ambuja Cement,

stepped up our manufacturing excellence. We inculcated a strong sense of discipline among our employees, which helped us to recover quickly after the lockdown was lifted.

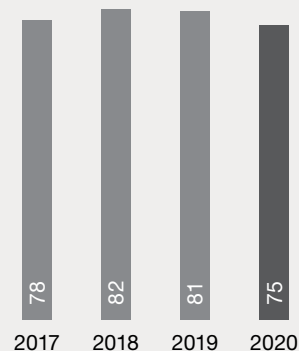
We achieved close to 75% capacity utilisation within just 30-45 days after restarting our operations after the lockdown, with all relevant government regulations in place.

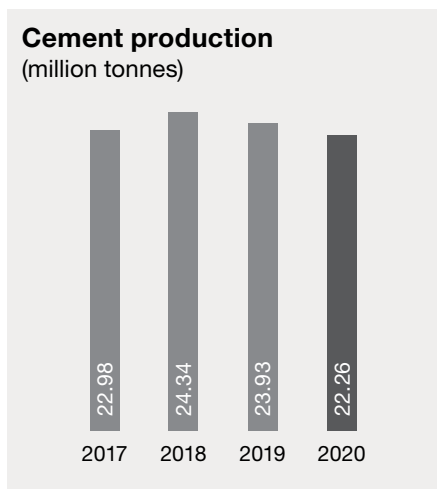
We adopt best practices in manufacturing. Our parent, LafargeHolcim has developed a 'Cement Industrial Framework, which defines the systemic approach towards manufacturing in its entirety, including people and processes. This framework is the guiding principle for all manufacturing activities at Ambuja Cement.

The year's highlights

- Enhanced Plant Net Availability index by 5% over 2019
- 8.2 million tonnes of waste derived resources used in production process conserving huge amount of depleting natural resources
- Overall operating cost per tonne decrease by 3% versus 2019, despite drop in volume by 6% over 2019

Capacity utilisation (%)





Efficiency improvement

Over the years, we have implemented continuous improvement strategies as part of our manufacturing excellence journey, focusing on areas such as clinker factor reduction, energy efficiency improvements, raw mix and fuel mix optimisation, and higher usage of alternative fuels and raw materials.

Cement blending

We are among the early industry players to opt for blended cement products; and ~90% of our production falls under the blended category. We are continuously working on improving this mix.

This is part of our continuous journey towards ensuring the sustainability of the environment and we continue to work on new products.

Cost optimisation

Robust operating systems and continuous debottlenecking projects, including efficiency and reliability improvement, are key to improving capacity utilisation and cost optimisation.

During 2020, we initiated a unique, all-encompassing cost leadership initiative to bridge the cost gap with competitors, providing the best products and services. The initiatives will include manufacturing as well as logistics areas of the Company.

Technical tie-up with LafargeHolcim

We continue to implement LafargeHolcim’s ‘**Plants for Tomorrow**’ programme, which puts more emphasis on the enhanced use of advanced technology to improve efficiencies and optimise manufacturing cost.

Product Quality Management (PQM)

Ambuja Cement is respected in the industry for its industry-leading quality and service commitment. We continuously review and analyse a set of

quality parameters, more stringent than the defined standards, for overall product quality improvement to generate better Product Quality Index (PQI).

The product quality monitoring strategy include daily testing of approved quality parameters; three-day and 28-day measurement of coefficient of variations, clinker quality assessment; customer satisfaction, bi-monthly product benchmarking, bi-monthly application-oriented product testing, monthly testing of random market samples and monthly assessment of bag quality index.

Ambuja Cement is compliant with all the statutory requirements mandated by the Bureau of Indian Standards (BIS) as well as all weights and measures norms. As a statutory compliance, our bags display the contact details for customers to communicate any complaint, observation and query. The PQM team also tests cement bags from all regions every month for quality and quarterly benchmarking. [GRI 617](#)

In order to ensure that our results are consistent, we follow the round robin test methodology to identify issues and improve upon the same.



Manufactured capital

Supply chain and logistics

India Procurement Organisation (IPO), a dedicated business unit of Ambuja Cement, takes care of large-scale procurements, whereas the unit-level procurement teams take care of day-to-day purchase requirements at respective locations.

Logistics remains one of the most critical parts of the supply chain. We have initiated digitisation to enhance efficiency of our logistics management, resulting in greater control across the entire logistics value-chain. We have set up the Transport Analytics Center (TAC) to enhance operational efficiencies and distribution safety. TAC helps in real-time monitoring of the in-vehicle management system, helping us in improving customer servicing.

Ambuja Cement's pioneering sea-based cement transportation helps us in servicing far-away markets like Surat, Mumbai, Mangaluru and Kochi with ease and helps reduce our carbon footprint. The sea-based operations, conducted through a fleet of five jetties and 10 self-unloading cement carriers, are tailor-made to our needs, operating out of our five Bulk Cement Terminals (BCTs).

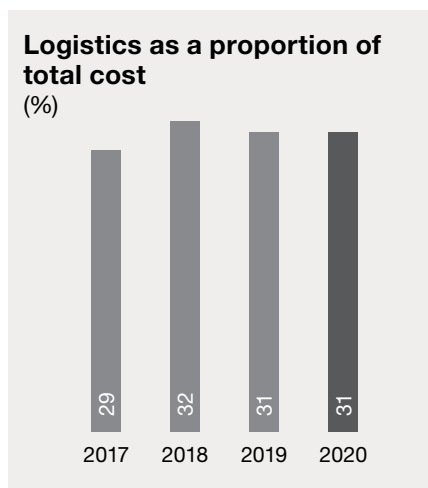
To promote excellence in warehousing, the warehouses in each region were awarded for creating the best 'model warehouse'. The Standard and Operating Procedures (S&OP) tool provides the flexibility of switching between rail and road modes to quickly respond to demand fluctuations and ensure smooth supply, minimising overstocking or shortages.

To drive digitalisation, we implemented Blue Yonder Luminat Planning. This will help transform our supply chain. The platform helps improve S&OP with integrated planning and execution by gaining visibility of daily demand, production and dispatch plans. The objective is to effectively predict demand fluctuation, scheduled maintenance, improve logistics and transportation capabilities.

Performance in 2020

- ~23% of the supply was transported through rail
- ~12% of the supply was carried by sea
- Freight and forwarding cost per tonne reduced by 2%
- Use of technology and real-time visibility of analytics through TAC enabled us to reduce our cost consistently

GRI 204, 308, 409, 414



Model warehouse programme

We initiated the Model warehouse programme in 2016 and over the years, a total of 207 model warehouses have been developed across various parts of the country. All warehouses were reviewed for their practices during 2020. The model warehouse implements a seven-point mandatory checklist, including maintaining good housekeeping, infrastructure, stacking safety, marking and signage, and providing good basic amenities to the workmen and the drivers. We continued Behaviour Based Safety (BBS) workshops with Clearing & Forwarding (C&F) agent and logistics team, and warehouse owners at the regional levels. The continued success of the model reinforces our commitment to excellence.

Captive power generation

We operate in an energy intensive industry and to mitigate the risks associated with energy requirements, we have undertaken strategic initiatives in our value chain for energy sourcing and also in developing our in-house capacity to cater to this need. Use of alternative fuels, Waste Heat Recovery (WHR) and use of renewable energy like biomass, wind and solar, implementation of energy management system (ISO 50001:2011) further strengthens our energy management landscape. We consumed a major portion of the total power requirement from captive power plants at four integrated plants and one grinding unit.

Mining

Mining is an integral part of our operations as it provides us long-term resource security as well as cost advantage. At Ambuja Cement, we source limestone from captive mines located close to our integrated plants. We ensure the well-being of the community around our mining sites and protect the environment using innovative technology sustainably. The optimum utilisation of mining resources is attained through the following:

- Use of alternative and waste derived materials in the process reduces the use of natural resources and maximises the life of limestone and coal quarries
- Effective and efficient mining and extraction processes do not disturb the ecological balance
- Use of limestone beneficiation end extraction ensures waste minimisation

Progressive mine closure plans are available as per the statute for all locations. Concurrent rehabilitation plans are available for the working mines in Gujarat.



Safety

- Fatigue monitoring system for operators
- Proximity sensor in heavy earth-moving machineries with 20 m alert system
- Haul road maintained with compactors and graders
- Dust suppression on haul roads, crawler-mounted equipment
- In-built water sprinklers and dust extractors in drilling machines
- Reverse cameras and alarms in dumpers



Ecosystem protection

- Excavated soil used for cultivation/pastureland development
- Dump slopes designed for stability by coir matting and plantation
- Waste disposal as per approved mining plan
- Operating sites not in territories of indigenous people
- Approved mine closure and rehabilitation plans

Responsible mining strategy at Ambuja Cement



Constant monitoring

- Blast monitoring
- Vibration measurement after each blast
- Vibration measurement as per approved standards
- Technology-based mining demand mapping
- GIS*-GPS* based blasting and production
- Prompt Gamma Neutron Activation Analysis (PGNAA)-based crushed Rom analysis

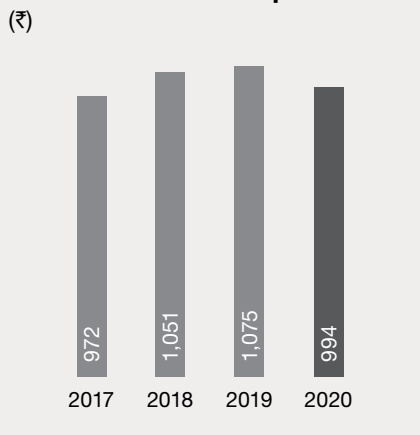


Efficient techniques

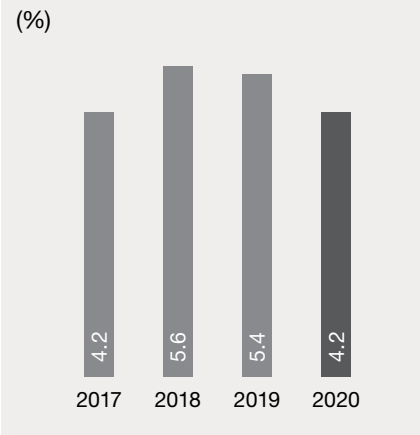
- Eco-friendly blast-free surface mining (Ambujanagar)
 - Replaces blasting, drilling and surface mining
 - Eliminates ground vibration
 - Noise minimisation
- Controlled blasting
 - Minimal fly rocks, vibration
 - Safe in extraneous electric environment
 - High-precision electronic detonators

Our Group policy prohibits operations in the immediate vicinity of specific biodiversity zones, world heritage sites or IUCN category I-IV protected areas. We also commit not to open new sites or explorations within such areas. We have protected areas like the Majathal Sanctuary and Darlaghat Conservation Reserve situated within 10 km of our mining or plant operations at Darlaghat; Gir Sanctuary lies within 10 km of the Sugala mining site at Ambujanagar. We adhere to the LafargeHolcim Group Quarry Rehabilitation and Biodiversity Directive, requiring us to prepare a Biodiversity Action Plan (BAP) for sensitive sites.

Power and fuel cost per tonne (₹)



Thermal substitution rate (%)



For more details about our biodiversity management, please refer to [PAGE 69](#)

*GIS - Geographic Information Systems
*GPS - Global Positioning Systems

WE TRAVELLED LESS. AND REACHED FAR.



Real-time inputs through TAC enable distribution safety, cost optimisation and efficiency improvement



Relevant corrections made in logistic workflow



Decline in freight cost translate to ₹175 lakhs benefit



Our team figured out better ways of serving our markets, and keeping transportation safe and costs low. They had their eyes trained on every route, every kilometre, and every rupee being spent.

To leverage the power of analytics in logistics planning, we launched the Transport Analytics Center (TAC) in March 2020. The new dashboard was piloted at Maratha Cement Works (MCW) with agreed KPIs, allowing operational teams to be armed with real-time data on distribution safety, cost optimisation and efficiency improvement.

It led to a slew of actions. Verification of 3,500 routes, and corrections implemented in nearly 40% of them, for better cost Per Tonne Per Kilometre (PTPK). Based on PTPK data across locations, we identified outliers and renegotiated contracts for over 460 destinations. We were also able to implement safety and behavioural training for drivers based on data.

The result: Our safe kilometres shot up from 62% to 78% and savings of ₹1.75 crores on freight cost. Based on the success, TAC is now implemented across Ambuja Cement.

INTELLIGENT CONFLUENCE OF TECHNOLOGY AND TEAMWORK HELPED US TRAVEL LESS AND REACH FAR. THE DEEP ENGAGEMENT OF ALL STAKEHOLDERS IMBUED WITH THE 'I CAN' SPIRIT - CASCADING FROM THE LEADERSHIP TO EMPLOYEES DOWN THE LINE - HAS LED TO THE SUCCESSFUL IMPLEMENTATION OF TAC ACROSS AMBUJA CEMENT.





INTELLECTUAL CAPITAL

Over the years, we have enriched our experience and sharpened our expertise to gain market share and strengthen our brand recall. Our brands and in-house technologies and processes comprise our intellectual capital.

ONE

SPECIALISED PRODUCTS
Ambuja Kawach (PPC)

33

Less carbon footprint of Kawach compared to OPCs (%)

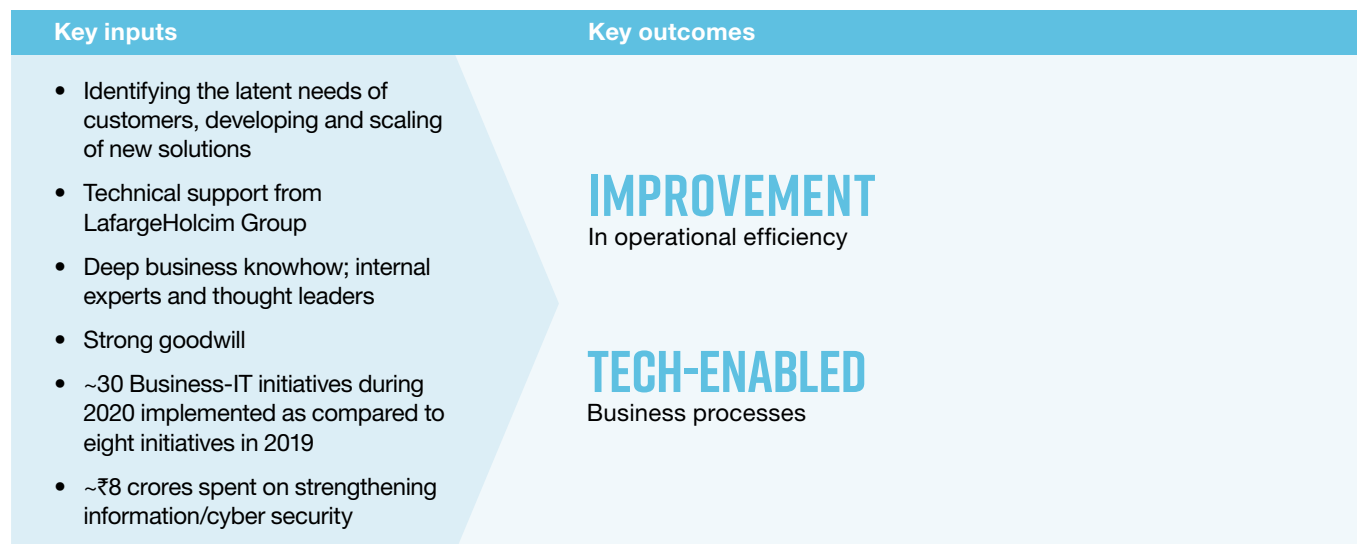
SDGs impacted



We leverage the rich experience of our parent company to identify the specific challenges faced by our customers and offer targeted solutions, helping gain their trust.

We also leverage our intellectual capital on introducing measures that enhance efficiencies of our processes and systems.

2020 Highlights: Leveraging knowhow and expertise, increasing efficiency



Impact on other capitals



Stakeholders impacted

- Stakeholders and investors
- Dealers
- Suppliers
- Customers
- Employees
- Community and NGOs
- Government and regulatory authorities
- Construction professionals
- Industry associations

Material issues addressed

- Customer satisfaction
- Sustainable construction
- Economic performance

Key risks addressed

- Maintaining market position
- Resource availability and price
- Cyber security

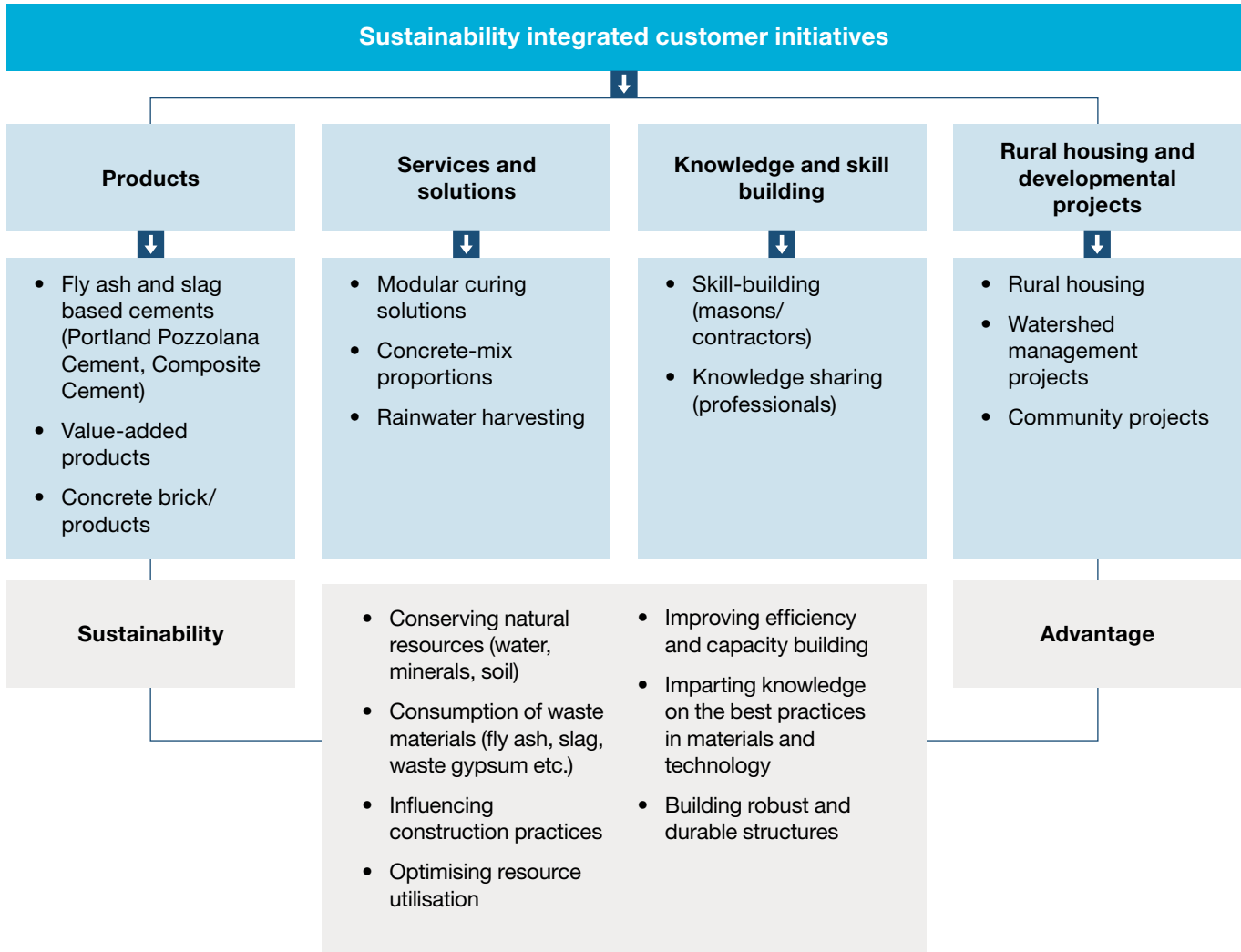
Intellectual capital

Sustainable construction

We fulfil the requirements of our clients while caring for the environment.

We take proactive initiatives to help reduce our carbon footprint, while enhancing product quality and brand promise. Our products and services help our customers and construction professionals reduce their carbon footprint, manage maintenance requirements and cost of operations, making the projects greener and cleaner with lower environmental footprint.

GRI 102-2



Responsible and sustainable products

For us, the key to achieve sustainable construction lie in responsible product design and development, sustainable fuel mix, innovative product development and resource efficiency through efficient waste management. As part of our extended product responsibility, we have conducted a life cycle assessment and have developed the Environmental Product Declaration (EPDs) of all the PPC and Compozem products. This is also available on the

international B2B portal 'Envirodec'. We are India's first cement company to work out EPD after detailed life cycle assessment.

Besides identifying and reducing the environmental impact of our product process/technology, these also aid in addressing the health and safety aspects related to the use of construction products.

Our research and innovation team works continuously on introducing products which are not only innovative

in nature but are also responsible and sustainable. Continuing this trend, we launched Kawach, a water-repellent cement, during 2020. This product has 33% less carbon footprint in comparison to OPC products.

This premium quality solution has been developed through our in-house manufacturing and product innovation efforts. Kawach is specially formulated to prevent water seepage in the most effective manner, resulting in improved durability and lifespan of house.

GRI 416, GRI 305-4, 416, 417

During the year under review, our Technical Services team provided the following:

- Engineers provided technical guidance and supervision for slab casting to 14,478 customers through video conferencing during lockdown
- Concrete mix proportions at 14,721 sites
- Modular curing solutions at 2,391 sites
- Rainwater harvesting at 268 sites
- Preparing to apply for Eco Label for our products (except OPC)

The three initiatives (Concrete Mix proportions, Modular Curing, and Rainwater Harvesting) helped us in saving ~70 million litres of water, a robust step towards sustainable construction initiative.

During the year, we conducted various skill-building workshops engaging about 12,500 contractors, masons,

and other construction professionals (architects and engineers) through class-room and virtual training sessions, workshops and webinars spanning over 39,000 man-hours for skill-building.

Our PPC product from Darlaghat plant (Himachal Pradesh) received the 'ProSustain' certification from the global certification body, DNV Business Assurance, reflecting our promotion of the adoption of responsible and cost-effective measures for incorporating sustainability into product design, development, production, and supply chain management.

New products

At Ambuja Cement, our continued focus on IHBs and customer needs has been the foundation for introducing innovative products and solutions. We work closely with our consumers in understanding their needs. We have identified that even newly-constructed residential buildings face issues like

seepage, dampness and leakages at a very early age.

These are largely due to:

- Persistent warm or high temperatures
- A tropical wet and dry climate
- Extreme weather conditions like heavy rains and very hot summer
- Shallow water table
- Improper and ineffective drainage systems causing waterlogging

We took this challenge and under the umbrella of Ambuja Certified Technology, launched new water-repellent cement product – Ambuja Kawach.

Since the launch, this product has gained strong traction. Driven by its premium positioning, it is driving the overall net selling price of Ambuja Cement.

PROSUSTAIN

Certification received for PPC product from Darlaghat plant

1.80

Sales of Kawach cement in 2020 (lakh mt)

33

Less carbon footprint of Kawach compared to OPCs (%)



Intellectual capital

THINK OF
BUILDING A HOUSE,
THINK AMBUJA



Strength for core



PPC



Plus



CompoCem



Kawach



Buildcem



Powercem 53



Powercem 43



Railcem

Strength for decor



Cool Wall



Blockol



PuraSand

Digital transformation

The digital transformation journey is part of our strategic planning. Digitalisation has been initiated in the following areas—operational excellence, controls and compliance, and culture. The key focus of the year was on implementing digital tools in various parts of operations. We strongly feel that digitalisation will not just help in providing competitive advantage but would also help in creating a sustainable growth journey in the coming years.

We turned this pandemic into an opportunity and helped the organisation emerge as digital savvy.

As a part of operational excellence, we focused on three major areas—enhancing asset optimising, improving logistical efficiency and increasing sales and marketing effectiveness.

Enhancing asset optimisation

In line with the LafargeHolcim's Plants of Tomorrow, we focused on implementing digital tools that helped in better asset optimisation and ensuring higher plant availability. We have implemented tools like Distributed Control System (DCS), Tool Location System (TLS) and Supervisory Control and Data Acquisition (SCADA) which are expected to enhance plant efficiency and increase uptime.

We have introduced Internet of Things (IoT) across the manufacturing

value chain and are using artificial intelligence and machine learning under the project EDGE to facilitate rapid deployment of predictive models and seamless connectivity with plant data sources.

We have picked up multiple initiatives on predictive quality (cement fineness, cement quality) and predictive maintenance (VRM failure, refractory life). This will help us in optimising energy consumption per tonne of cement and enable us to save cost.

We are conceptualising Digital Eye to digitally monitor factory and plant operations (through drone and video analytics) to operate effectively and enhance safety.

Increasing logistics efficiency

Logistics account for a substantial part of the total operating cost in the cement manufacturing value chain. Hence, it requires effective fleet management to rationalise cost. We are leveraging various software packages to enhance efficiency.

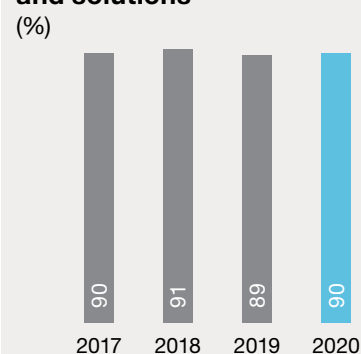
Enhancing sales force efficiency

We have implemented sales force automation for our sales team. This helps us in getting better intelligence related to market dynamics and better pricing of our products.

We have also rolled out a contractor loyalty programme application where more than 48,000 contractors are enrolled with over 50% of them being

active every month. This influencer engagement initiative helps us in strengthening the pull for our premium products.

Share of revenue from sustainable products and solutions (%)



33

Invested to digitally strengthen our sales and marketing team (₹ lakhs)

~90

Share of revenues derived from products used in sustainable building design and construction (%)



BEING NEGATIVE IS POSITIVE. WHEN IT COMES TO PLASTIC.



Being 'plastic negative'
is a priority for all



Co-processed
~83,000 tonnes of plastic
waste in the kilns in 2020



Consumed
~8.2 million tonnes
of waste-derived
resources in 2020

Plastic pollution is one of the most pressing global environmental challenges of our time, afflicting life on land as well as under water.

Single-use plastics ending up in landfills and oceans pose existential challenges to the natural ecosystem. We asked ourselves, how could we join the global efforts in tackling the menace?

With sustainability being culturally ingrained in our thought process and by instilling state-of-the-art technology, we started co-processing plastic waste in our Kilns to offset the negative impact of plastics used in our packaging material. In 2020, we co-processed ~83,000 tonnes of plastic waste, making us a ~2.5 times 'Plastic Negative' company.

The co-processing technology helped substitute fuels and eliminate waste, alongside delivering reduced environmental footprint.

It has also enabled us to scientifically dispose waste that cannot be recycled or reused. We also utilise waste from different industrial, agricultural, and municipal sources as Alternative Fuels and Raw Material (AFR), which enables us to reduce our conventional fuel consumption and brings us closer to our sustainable development ambition of consuming 13.5 million tonnes of waste-derived resources by 2030.

**THE ACHIEVEMENT PERSONIFIES
THE 'I CAN' SPIRIT OF CONDUCTING
BUSINESS RESPONSIBLY AND
CREATING A FAR-REACHING,
POSITIVE IMPACT.**





NATURAL CAPITAL

Cement manufacturing is a resource- and energy-intensive process. As a responsible business, we diligently work towards extending our environmental stewardship much beyond complying with applicable laws and regulations for resource conservation and energy efficiency. Three out of four pillars of our Sustainable Action Ambition 2030 contribute to protect natural capital. These are climate and energy, circular economy and environment (water and nature).

We optimise our consumption of natural resources in a sustainable manner. Embedding circular economy in the process has helped us in optimising resource requirements. Moreover, integrating resource efficiency into our system also helps in optimisation and extends the life of our limestone and coal quarries.

We are also incrementally utilising waste derived raw materials like fly ash, slag, and waste gypsum etc. in our manufacturing process resulting in further lowering of our clinker factor rate. We have optimised our process for use of low-grade limestone and waste derived alternative fuels. The result is ~90% of our production comprised PPC and composite cement and ~32% of the raw materials were derived from alternative sources (i.e. sources which are not natural).

In 2020, we participated in a project on Natural Capital Accounting and Valuation of Ecosystem Services-Business Accounting Pilot Case (NCAVES) with UN Statistics Division (UNSD) and supported by the European Union.

We continue to invest in improving our environmental performance, which results in significant cost savings. During 2020, we spent ~₹31 crores towards climate change resilience, including environmental protection, energy efficiency, compliance management, etc., which led to savings of ₹5 crores.

SDGs impacted



At the end of 2020, three cases involving environment-related issues were pending in different courts. No significant fines or penalties (>\$10,000) were incurred in 2020. No formal grievance about environmental impact had been filed

through the various grievance mechanisms during the reporting period. Ambuja Cement intends to integrate climate change measures into national policies, strategies, and planning.

2020 Highlights: Reducing and reusing waste, protecting the environment

Key inputs	Key outcomes		
<ul style="list-style-type: none"> Operational water consumption: 125 l/tonne of cement Operational freshwater withdrawal: 77 l/tonne of cement Total heat consumption: 63,827 TJ Alternative fuels utilised: 2,818 TJ Quarries are assessed for biodiversity baseline condition every three years using biodiversity indicator and reporting system 	3,42,398 Total waste generated (tonnes)	3,42,374 Waste recycled (tonnes)	24 Waste used for landfill (tonnes)
	1,34,05,629 Absolute Gross Scope-1 for cement and onsite power generation (tonnes of CO ₂)	811 Specific NOx emission (g/tonne of cementitious materials)	15 Water recycled (%)
	44 Specific SOx emission (g/tonne of cementitious materials)	23 Specific dust emission (g/tonne of cementitious materials)	8X Water positive

Impact on other capitals



Human capital

Contributing to environment-protection initiatives drives higher sense of organisational ownership



Financial capital

Allocation of resources towards generation of green energy, environmental protection and climate change resilience



Manufactured capital

- Installation of pollution control equipment
- Increased use of AFR resulting change in resource-mix



Relationship capital

- Greater opportunity for customers to save resources
- Improved product acceptance for environmentally responsible constructions



Social capital

- Improved health and well-being owing to reduced pollution
- Enhanced water security
- Cleaner environment due to lower carbon and other emissions



Intellectual capital

- Innovation to drive resource optimisation and circular economy
- Responsible product and solution development and green labelling

Stakeholders impacted

- Dealers
- Suppliers
- Employees
- Community and NGO
- Government and regulatory authorities

Material issues addressed

- Biodiversity
- Sourcing of water
- Land acquisition for mines and new operations
- Relocation and rehabilitation (post mine closure)
- Circular economy
- CSR
- Sustainable supply chain
- Compliance with regulatory requirements
- Customer satisfaction
- Energy efficiency
- Greenhouse Gas (GHG) emissions and climate change
- Other air emissions
- Waste management

Key risks addressed

- Environment and sustainability

Natural capital

Climate and energy

Carbon emission

The cement manufacturing industry accounts for 7-8% of world's greenhouse gas emissions (CO₂), which contribute significantly to global warming. With a focus on achieving carbon neutrality and contributing to the fight against climate change, cement manufacturers are undertaking focused initiatives – from improving energy and process efficiency to using lower-carbon fuels, and reducing clinker-to-cement ratio to deploying innovative technology for resource optimisation.

At Ambuja Cement, we have undertaken four key initiatives to reduce our carbon emissions:

- Reduce clinker factor through incremental use of alternative materials like fly ash, slag, and waste gypsum
- Improve energy efficiency (thermal and electrical) and process technology
- Waste heat recovery and use of Renewable Energy (RE)
- Optimise fuel composition, along with the use of waste as alternative fuel

These initiatives helped our operations avoid release of ~6.5 million tonnes of CO₂ into the environment during 2020.

By 2020, the estimated financial implications of the climate change related risks before taking action are projected to be ~₹3,128 million; and the cost of mitigation action is projected at ~₹10,380 million.

GRI 201-2

~6.5

Of CO₂ emissions avoided in 2020 (million tonnes)

312.8

Estimated financial implication of climate change related risks (₹ crores)

1,038

Estimated cost of mitigation of climate change related risks (₹ crores)

We monitor and report CO₂ emissions from all manufacturing locations, including integrated cement plants, mines, grinding units, and bulk cement terminals, aligned with the WBCSD CSI Cement CO₂ and Energy Protocol. At Ambuja Cement, we estimate and disclose our environmental performance as per CSI and GRI guidelines and annually in the Carbon Disclosure Project (CDP) and Dow Jones Sustainability Index (DJSI). The GHG inventory includes:

Scope-1: It covers direct emissions from owned or controlled sources including emissions due to fuel combustion in kilns, fuel combustion other than in kilns like onsite energy generation and during clinker production (calcination of raw materials, bypass dust and cement kiln dust, among others).

Scope-2: It covers emissions associated with purchased electricity from grid.

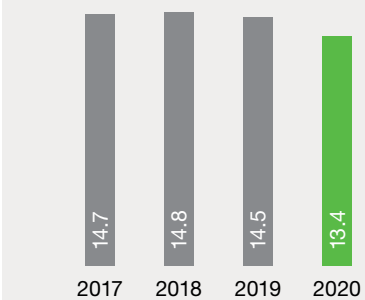
Scope-3: It includes other indirect GHG emissions including emissions from purchased products and services (category-1); fuel and energy-related activities (category-3); upstream and downstream transportation and distribution (category-4 & 9); waste generated in operations (category-5); business travel (category-6); and employee commuting (category-7).

Performance in 2020

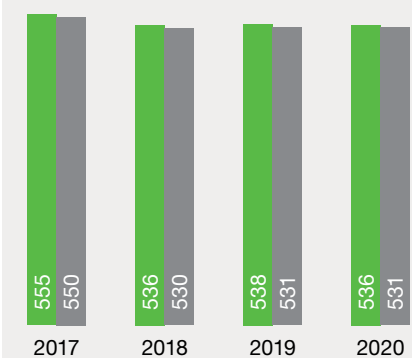
- Specific net CO₂ per tonne of cementitious product was 531 kg, down 31% (taking 1990 levels as the baseline) and 94% of our 2020 targets

- Total Scope-1 emission decreased from 14.52 million tonnes in 2019 to 13.41 million tonnes in 2020

Scope-1: Absolute gross CO₂ emissions including onsite power generation
(million tonnes CO₂)

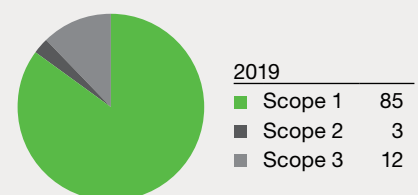
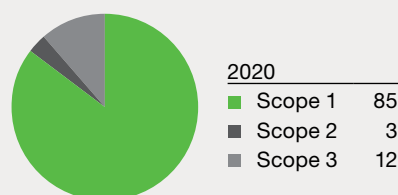


Specific Scope-1 emission
(kg CO₂/tonne of cement)



■ Gross □ Net

Scope-wise emission
(%)



Other emissions

Our manufacturing process does not emit any Ozone-Depleting Substances (ODS). The ODS data covers the core processes only and not the administrative facilities (office buildings, staff quarters among others) at the plants and offices. We have installed Continuous Emission Monitoring

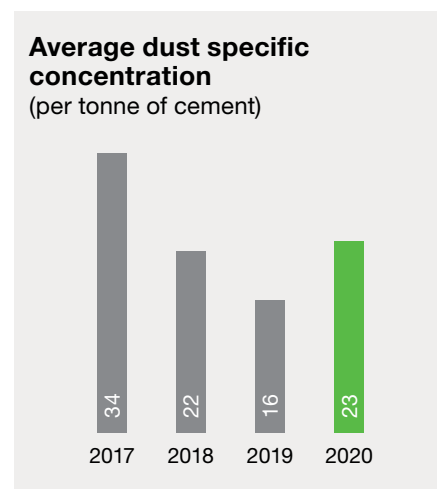
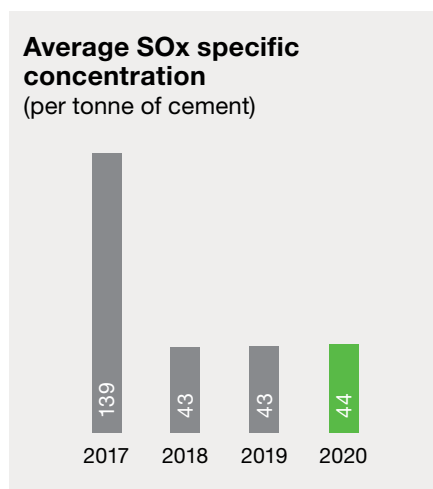
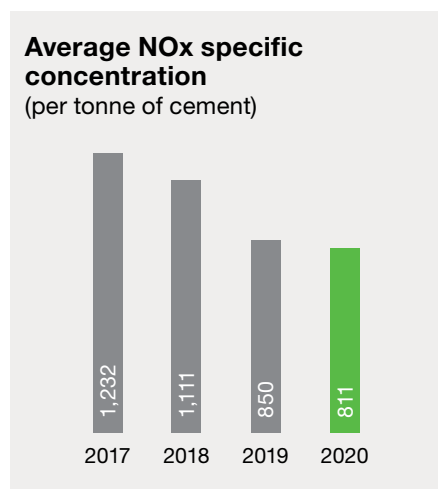
have been constantly setting industry benchmarks in energy efficiency.

GRI 302 (4,5)

Performance in 2020

- Energy accounted for 24% of total operating costs vis-à-vis 25% in 2019

A detailed list of various energy efficiency measures taken are enlisted in the Annexure – VI (Page 142), available on the link: ambujacement.com/investors/annual-reports.



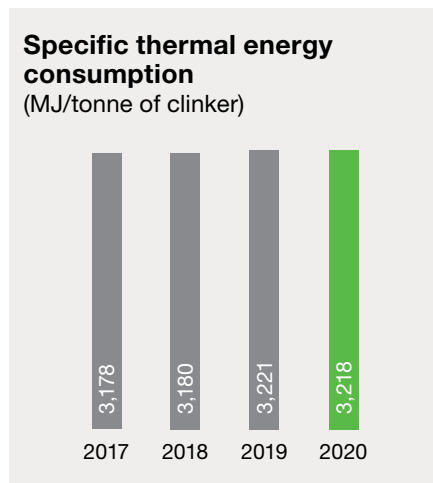
Systems (CEMS) to continuously monitor SO₂, NOx, dust/particulate matters and any other significant emissions from all our nine kilns/raw mill stacks. The data is displayed in real-time on the website of the regulatory agencies. The emissions are load calculated and reported. It excludes captive power plants and other stacks. Our commitment to emission minimisation is reflected in our investments in Selective Non-Catalytic Reduction (SNCR) systems, new Electro-Static Precipitators (ESPs) and bag house modifications, among others.

GRI 305 (6,7)

Energy management

We have undertaken various strategic initiatives to reduce our energy intensity across the cement value chain. The implementation of ISO 50001:2011 standards speaks volumes about our sustained efforts towards augmenting our energy management system. We focus on increasing the share of renewables such as solar, biomass, and wind. We are using AFR and waste heat recovery. In the process, we

- Captive sources accounted for 66% of power requirements vis-à-vis 68% during 2019
- Thermal energy efficiency stood at 3,218 MJ/tonne clinker as against 3,221 MJ/tonne clinker
- Electrical energy consumption stood at 77.05 kWh/tonne of cement versus 77.27 kWh/tonne
- Alternative Fuel (AF) in the kilns achieved a Thermal Substitution Rate (TSR) of 4.2% of the total thermal energy vis-à-vis 5.4%



Renewable Energy (RE)

RE remains one of the key focus areas for us to minimise carbon footprint.

Performance in 2020

- Renewable sources contributed 12% to total power generation against 7.9% in 2019
- Reduced ~92,659 tonnes and 32,695 tonnes of CO₂ through use of RE and WHRS, respectively, vis-à-vis 60,757 tonnes and 32,222 tonnes in 2019
- 5.14 MW solar-based station at Rabriyawas, Rajasthan (commenced in 2020)
- Dadri, Uttar Pradesh started sourcing solar-based power through Power Purchase Agreement (PPA) from November 2020 (project capacity of ~14 MW)

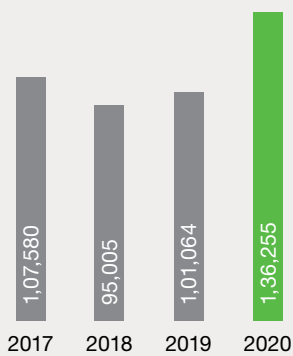
Natural capital

Our other renewable energy portfolio in operation are:

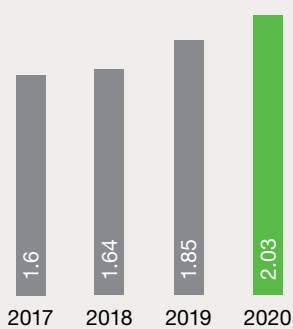
- 30 MW coal and biomass-based power plant at Ropar, Punjab
- 7.5 MW wind power station in Kutch, Gujarat
- 330 KV solar power station at Bhatapara, Chhattisgarh
- 55.14 kWp rooftop solar PV project at the Gurgaon office, NCR
- 6.5 MW waste heat recovery-based power generation system at Rabriyawas plant, Rajasthan

Our captive power plants also use biomass. Along with the earned renewable energy certificates, the power cost optimisation strategy helps us in adding value to power sourcing and be compliant in renewable purchase obligations.

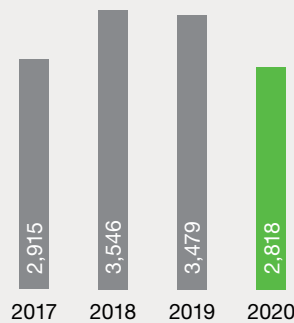
Renewable energy generation (MWh)



Power generated from waste heat recovery (million units)



Thermal energy from alternative fuels (TJ)



Water and nature

Water

Water is an essential constituent of environment – one of the four pillars of our Sustainable Development Ambition 2030 with specific targets.

Though we use the dry process of cement production, which requires significantly less water than other processes, we have implemented water efficiency measures, which enabled us to become 8 times water positive in 2020. At the plant level, we focus on using recycled water, treated in sewage/effluent treatment plants as well as reverse osmosis plants. The recycled water is used for dust suppression and gardening, along with other purposes. Majority of our plants do not discharge water or wastewater into natural bodies. At the community level, we have undertaken water conservation and harvesting projects under the aegis of the Ambuja Cement Foundation (ACF), our CSR arm.

For more on the water-related projects at the community level, please refer to page 76 of this report.

GRI 303 (1, 3), GRI 306 (1, 5)

Performance in 2020

- Total volume of water withdrawn for all our operations reduced 11% to 5.8 million cubic metres (million m³) from 6.5 million m³ in 2019 corresponding to a 7% reduction in cement production
- Freshwater withdrawal was increased by 13% from 2019 levels owing to increased use of water for

sanitisation and cleaning purposes during the pandemic

- ~15% of our total water withdrawal was recycled
- Few locations discharge wastewater through septic tank soak-pit but total discharge (48,830 m³) is less than 1% of our total water withdrawal

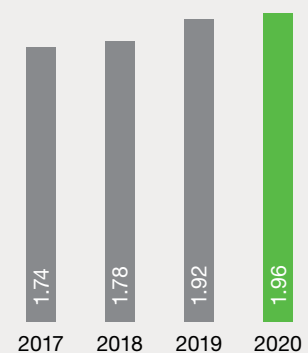
77 LITRES

Freshwater withdrawal per tonne of cement produced in 2020

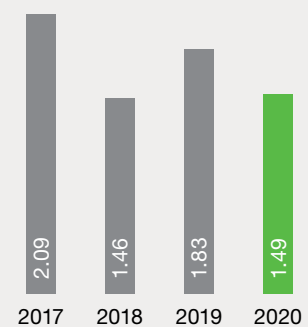
A-

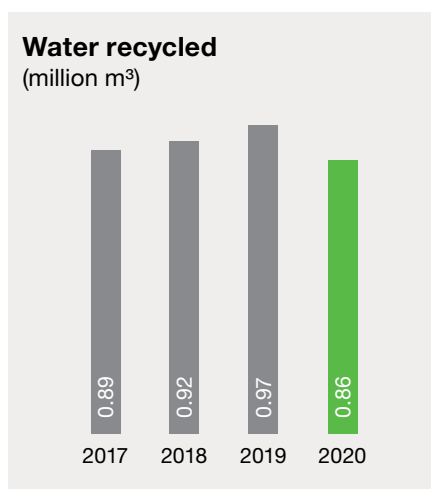
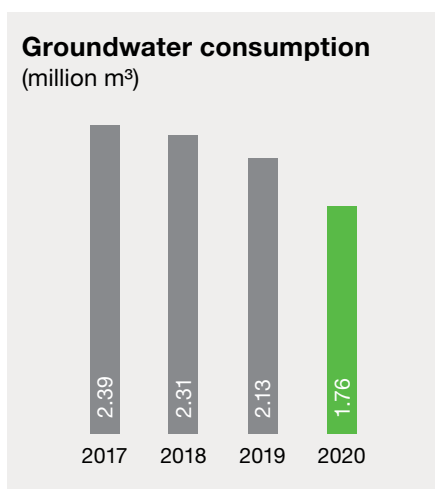
Ambuja Cement's rating in Carbon Disclosure Project (CDP) Water Security Performance in 2020

Surface water consumption (million m³)



Harvested rainwater consumption (million m³)





Zusammenarbeit (GIZ), and also partner with organisations/industry associations like GCCA for biodiversity-related policy management, assessment and reporting guidelines.

We classify our ecological assets and maintain a biodiversity inventory for all our sites. Further, we assess the net positive impact through set KPIs every three years. We also implemented a new baseline biodiversity assessment of our sites through a Biodiversity Indicator and Reporting System (BIRS) developed by IUCN experts. The BIRS assessments were conducted in 2017, 2019 and 2020.

Our water sustainability risk assessment framework, developed in association with International Union for Conservation of Nature (IUCN) takes into account business/company risks as well as the basin risk, covering various risk aspects and identifying units with water stress.

This assessment also uses the World Business Council for Sustainable Development (WBCSD) Global Water Tool. Scenario analysis that identifies the potential impact on operations were also conducted. Four of our plants are in water scarce regions but, overall, we comply with all regulatory requirements on water. True Value assessment for water interventions in 2019 indicated a contribution of ₹1,781 crores.

Biodiversity

Our biodiversity policy is enshrined in the Group’s Quarry Rehabilitation and Biodiversity Directive. We commit to Indian national regulations.

We recognise the importance of conservation and management of biological diversity as a business and societal issue. This is reflected in our ‘Sustainable Development Ambitions 2030’ commitment to achieve ‘Positive Change in ‘Biodiversity’ (net positive impact) by 2030. We carefully classify our ecological assets and maintain a biodiversity inventory for all our sites. We are a signatory to the India Business and Biodiversity Initiative (IBBI) of the Confederation of Indian Industry (CII) and Deutsche Gesellschaft für Internationale

GRI 304

BIRS scores

(Site Biodiversity Index on a scale of 1-4)

Units	2019-20	2016-17
Ambujanagar, Gujarat	1.9	1.7
Darlaghat, Himachal Pradesh	2.1	2.1
Rabriyawas, Rajasthan	2.3	2.1
Maratha Cement Works, Maharashtra	2.1	2.0
Bhatapara, Chhattisgarh	1.9	1.7



Natural capital

We are in the process of implementing mitigation hierarchy for our biodiversity management and conservation efforts which includes three key elements: avoid, minimise and restore. We avoid undertaking operations near any of the World Heritage Sites and IUCN Category I-IV protected areas. We continuously monitor biodiversity and set protection and action priorities for species like IUCN red data list and regional threatened species list. Our operating sites are not located adjacent to indigenous peoples' territories. Local community issues revolved around land acquisition and dust emission. Concerns of the community are addressed through a consultative process. Land is purchased through negotiations. There were no strikes or lockouts at our mines during the reporting period.

We conduct periodic ecological study on the species and habitats through our local partners like the Gujarat Institute of Desert Ecology (GUIDE), university experts and research institutions to identify the causes of decline in species and take corrective measures. Besides, we work towards minimising the negative impacts of mining by developing green belt in those areas.

Trees are planted on the overburden and around the mines and at the mine lease boundaries, helping us in reducing dust pollution, absorbing carbon emissions and preserving regional biodiversity. We regularly train our team members working closely on the ground with communities to ensure minimal impact on the biodiversity. Our overburden/interburden or waste material was disposed of separately in non-mineralised zones through an excavator-dumper-dozer combination as per the approved mine plan. Progressive mine closure plans are available as per statute for all locations.

Key aspects of our biodiversity management:

- Partnering with local experts and forest department to develop the biodiversity action plans and act on the outcomes of our assessment

- Formulating comprehensive biodiversity action plans containing regional measurable targets across sites
- Improving degraded habitats across sites through targeted habitat management plans
- Working closely with the community to adequately manage the planted and rehabilitated areas and partnering with the management of any other adjoining offset areas
- Turning regenerated areas into natural habitats by adopting new forestry practices
- Carrying out mining operations and raw material transportation only during the daytime near the protected areas
- Providing the mine tippers with a multi-cap covering system to avoid spillage of material during transportation

Ongoing initiatives

- Familiarising our employees on biodiversity through in-house developed e-learning module on biodiversity protection
- Conducting regular events to sensitise our employees, school children and the community on the importance of biodiversity protection and conservation
- Organising vaccination and health camps through ACF for cattle and the forest community in villages surrounding the Gir Sanctuary, in coordination with the Forest Department, to prevent the Gir wildlife from picking up diseases from local cattle
- Undertaking several livelihood supporting activities through ACF throughout the year in villages around the Gir and Majathal sanctuaries (Gujarat and Himachal Pradesh, respectively), and around other plants



RESTORING NATURAL HABITAT

With an objective to convert regenerated areas into natural habitats, we undertook mangrove plantation in Gujarat across 150 hectares with the help of the Gujarat Ecology Commission. The project helped in restoring the natural ecosystem in the region with the site becoming a good nesting and breeding place for migratory and local avifauna.

Protected areas

Protected areas like the Majathal Sanctuary and Darlaghat Conservation Reserve (both in Himachal Pradesh) are situated within 10 km of our mining/plant operations at Darlaghat; the Gir sanctuary lies within 10 km of a mining site at Ambujanagar, Gujarat. We have also prepared a wildlife conservation plan for key species, approved by the state government, for Darlaghat. Biodiversity Action Plan (BAP) for all our five plants with mining sites is being implemented.

Circular economy

There are significant opportunities for waste recycling in the cement industry and we are one of the pioneers in the industry for waste management solutions. It is carried out through cement kiln-based co-processing, offered through Geocycle, a LafargeHolcim Group brand and waste management unit of Ambuja Cement.

Geocycle India started operations in India more than a decade back and is part of the global Geocycle network. It has four dedicated pre-processing facilities with installations for blending liquids, shredding solids and sludge and homogenising waste before it is co-processed sustainably at five locations. This helps us in promoting circular economy with consistent supply of AFR for our cement production. Geocycle has already developed 14 co-processing facilities

across India around AFR storage areas, feeding arrangement, and laboratories, that support both ACC and Ambuja Cement.

Through Geocycle, we co-process industrial wastes from other industries in our kilns as alternative fuel. This helps us in reducing the use of coal, resulting in natural resources conservation as well as greenhouse gas mitigation. During the year under review, we co-processed ~2.8 lakh tonnes of alternative fuels substituting 4.2% of total thermal energy.

Performance in 2020

- We consumed ~1.9 lakh tonnes of Alternative Fuels (AF) in the kilns and ~0.9 lakh tonnes of AF in our captive power plants against 2.2 lakh tonnes and 0.8 lakh tonnes in 2019, respectively. This resulted in a Thermal Substitution Rate (TSR) of 4.2% of the total thermal energy against 5.4% in 2019

19.4

Of blended cement produced in 2020 against 21.29 in 2019 (million MT)

8.2

Waste-derived resources used as alternative raw materials and fuels in our production process 2020 (million tonnes)



- We consumed ~8 million tonnes of waste-derived alternative raw materials (AR) like fly ash, slag, phosphogypsum in the manufacturing process vis-à-vis 8.4 million tonnes in 2019
- Our incremental use of fly ash; water harvesting and recharge projects; agro-based livelihood creation; and use of AFR resulted in net positive contribution to the environment and society to the tune of ~₹2,000 crores in 2019 as compared to ~₹750 crores in 2012

GRI 301-3

PLASTIC NEGATIVE

Plastic waste co-processing remains one of the key focus areas for Ambuja Cement as we use HDPE and bio-degradable paper packs for cement packaging. During the year, we co-processed 83,138 tonnes of plastic in our kilns to offset 33,368 tonnes of plastic waste generated. This reflects 2.5x of total HDPE bags used during 2020 and makes us plastic negative.

CONTAINING THE SPREAD. AND WIDENING THE CIRCLE OF CARE.



Sakhis ensure stringent adherence of precautions



Farakka becomes epicentre of women empowerment



Continued services towards ACF's Maternal Child Health Programme

Many villagers from Farakka in West Bengal travel to the nearest city of Kolkata in search of better livelihood opportunities.

The lockdown imposed in the wake of COVID-19 outbreak led to job loss. They had no option but to take a gruelling journey back. However, it wasn't just dashed hopes they were carrying home, but possibly the virus.

Chinu Mandal and Rakhi Singha, both trained health volunteers (Sakhis) at ACF, realised the heightened risk and absence of proper infrastructure during initial days of the outbreak.

The nearest testing centre was 282 km away. There were no isolation wards, either. So, the Sakhis took it upon themselves to track down potential spreaders, and informed the health authorities to enforce quarantine.

They also kept a close watch for any visible symptoms and conducted regular temperature checks. And those who refused to co-operate were reported to the local police. With whole-hearted support from their family members, Chinu and Rakhi have inspired many to play their own part in fighting the virus.

THE SAKHIS EMBODY THE 'I CAN' SPIRIT OF COURAGE, GRIT AND DETERMINATION TO OVERCOME UNPRECEDENTED ADVERSITIES AND MAKE A POSITIVE DIFFERENCE.





SOCIAL CAPITAL

Community well-being is deeply ingrained in our culture and integrates us with the wider world. We have institutionalised the stakeholder engagement model to understand the core requirements and concerns of our communities and undertake concrete steps for their overall development.

53.97

Money spent on CSR activities (₹ crores)

1,781

Net Positive contribution through water interventions derived by True Value assessment-2019 (₹ crores)

SDGs impacted



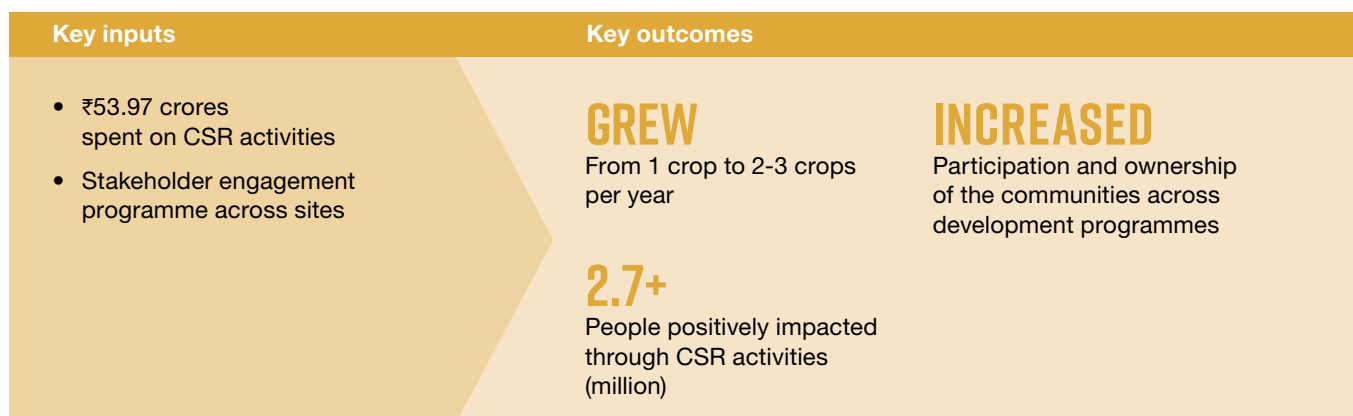
The impact of interventions is mapped and assessed with the help of third-party agencies to ensure accountability and transparency.

Ambuja Cement Foundation (ACF), the CSR arm of the Company, was set up in 1993 to spearhead our community initiatives.

We continued to extend our community initiatives during 2020 and undertook additional initiatives during the outbreak of COVID-19. Over the last almost three decades, we have touched the lives of more than 2.7 million people across locations through key interventions in water conservation, education, skill development, agriculture, women empowerment and health.

GRI 413

2020 Highlights: Contributing to social causes, impacting lives



Impact on other capitals



Financial capital

Support from communities around operational areas increases project viability, resulting in better financing terms



Manufactured capital

Ability to invest in projects around communities leveraging the trust that the brand has created



Intellectual capital

Integration of community needs in planning to promote social enterprise structure in the activities of ACF. Encouraging social entrepreneurship thought process in community.



Relationship capital

Improved product acceptance



Human capital

Better employee engagement through increasing voluntary participation from the employees



Natural capital

- Improved health and well-being owing to reduced pollution
- Enhanced water security through community engagement
- Cleaner environment due to lower carbon and other emissions

Stakeholders impacted

- Community and NGOs

Material issues addressed

- CSR
- Health and safety
- Human rights
- Code of conduct
- Transparency and corporate governance
- Indirect economic impact
- Public policy and advocacy

Key risks addressed

- Environment and sustainability
- Maintaining market position
- Water availability
- Licence to operate

Social capital

CSR governance at Ambuja Cement

As per section 135 of the Companies Act, 2013 which pertains to the CSR law for the companies, we have constituted a Board-level CSR & Sustainability Committee with Independent Directors. We have also formulated a CSR policy which clearly mentions the CSR activities carried out as per Schedule VII of the Companies Act, 2013.

We primarily allocate our CSR implementation through our social development arm the Ambuja Cement Foundation (ACF) working mainly with communities around the manufacturing sites across 11 states. We also run five English medium schools under our Ambuja Vidya Niketan Trust providing quality education to benefit local communities around the plant areas. We also maintain a multi-speciality hospital in Ambujanagar (Kodinar), Gujarat through the Ambuja Hospital Trust to provide quality health treatment to the local communities.

The major focus of our CSR spend is invested in the host communities impacted around the manufacturing sites with thorough needs assessment conducted with the communities. Based on the need assessment and to largely enhance prosperity, six verticals have been identified: water resource management, livelihoods (agro-based and skill and entrepreneurship development), health and sanitation, women empowerment and quality education. We ensure people's participation by creating village-level institutions with capacity building invested for these institutions so that projects carried out by the people are self-sustaining.

ACF has formed a data management and research cell to monitor all ongoing projects with mid-course evaluation to ensure strategic social investment. All mature projects are subject to evaluation and impact assessment. External consultants and institutions support in carrying impact assessment of critical projects.

Key community intervention areas

Over the years, ACF has helped formalise the structure for our interventions (through farmers' clubs, farmer producers' organisations, women's federations, water user groups, among others). The Foundation has also created village-level leaders to coordinate the programmes effectively and holistically help households thrive.

Water

Water has been the key focus area for Ambuja Cement since the beginning. India is faced with unprecedented water crisis where demand has outstripped supply. The primary aim of ACF is to address the water scarcity issues faced by the community by way of promoting water harvesting and conservation, river interlinking, safe and adequate drinking water availability and judicious water use. The water resource management programme has grown in dimension, in keeping with local needs across locations. ACF also focuses on water-saving techniques through promotion of sprinkler and micro irrigation system for efficient usage of water.

ACF carries out its water conservation efforts with the support and active participation of relevant government bodies, NGOs and the community itself. Our efforts have been instrumental in bringing positive changes in people's lives and biodiversity across regions of our operations, especially in water starved areas. We ensure that no water source or protected area (nationally or internationally) is disturbed for water withdrawal. We encourage sustainable withdrawals, water efficiency, responsible water harvesting and groundwater recharges to ensure continuous supply to address water scarcity; and bring down the number of people affected by water scarcity considerably.

GRI 303-2

34

Beneficiaries from COVID-19 related interventions (lakh)

We have developed water sustainability risk assessment framework in association with IUCN to account business/Company risks as well as the basin risk, covering various risk aspects and identifying units with water stress. This assessment also uses the WBCSD Global Water Tool. Two of our plants are in water scarce regions but overall, we comply with all regulatory requirements on water.

Performance in 2020

- Developed and revived 83 water harvesting and recharge structures and 14 dams, amounting to storage capacity of 0.60 million m³, taking the total count to 14,060 water harvesting and recharge structures, 458 check dams and 59.24 million m³, respectively
- Developed 3,134 Ha of watershed through water and soil conservation
- Three river lift irrigation projects were undertaken resulting in 125 Ha of area under double crop
- Installed and revived 318 hand pumps across locations

Agri-based livelihood initiatives

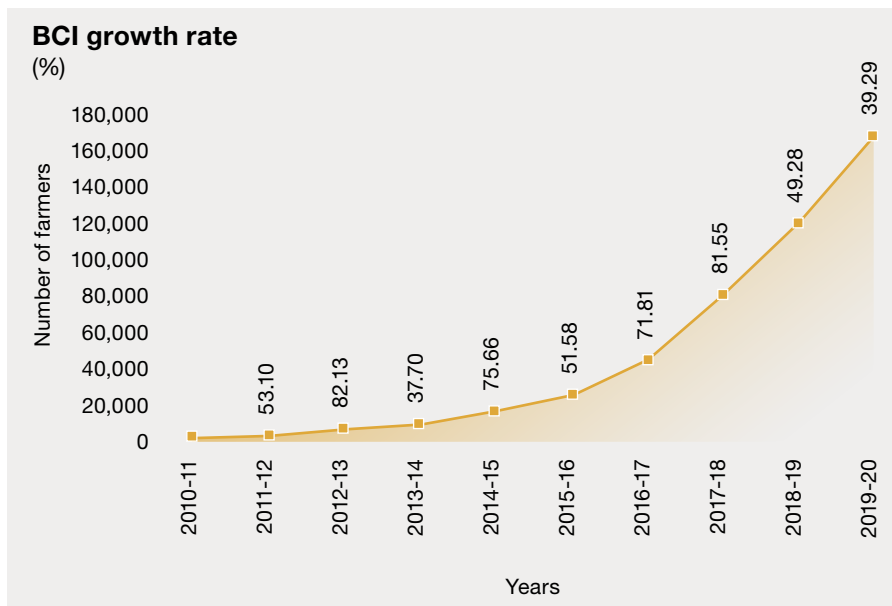
Agro-based livelihood generation remains a major focus area for ACF to improve the productivity of agricultural lands for improved yields and economic prosperity. This is done by building capacities of farmers and introducing scientific farm practices with greater use of technology for sustainable production.

Agro-based livelihood initiatives are being implemented in 17 locations across nine states covering more than 2 million farmers. The initiatives besides working for enhanced practices for sustainable agriculture, comprises other allied initiatives such as animal husbandry projects, including dairy, poultry, aquaculture and goat rearing.

Performance in 2020

- Animal husbandry projects were extended to 15 locations covering 8,500 families
- 154 low-cost polyhouses built in Sankrail to help enhance income
- ~1,079 Ha of area covered under micro irrigation

- 3 new farmer-producer organisations were formed during the year, taking the total to 14, covering 2.1 lakh farmers
- More than 30,000 women farmers participated in various training initiatives conducted by the Foundation
- Better Cotton Initiative (BCI) was extended to 1,418 more villages during the year, benefiting 1.69 lakh farmers



PROTECTING THE CLIMATE

We have promoted community-based farmers' organisations, registered as Farmer Producer Organisation (FPOs). These FPOs help in sourcing, processing and delivering biomass from member farmers as well as educating other farmers about the environmental impacts of crop waste residue burning. During 2020, among other businesses, the FPOs supplied 26,242 metric tonnes of biomass from Rabriyawas (Rajasthan), Ambujanagar (Gujarat), Ropar (Punjab) and Chandrapur (Maharashtra).

Skill-based livelihood initiatives

To contribute to nation-building ACF set up the Skill and Entrepreneurship Development Institute (SEDI) to provide meaningful alternative employment opportunities to the country's youth. More than 33 SEDI centres are operational across 10 states in the country, with more than 65,000 people placed in various roles. ACF has partnered with other corporates to widen the scope of training as well as provide placement opportunities.

Performance in 2020

- A new SEDI centre was initiated in Ajmer, Rajasthan
- More than 65,000 people were trained during the years with 74% of the graduates placed in different organisations. Women made up 42% of the total number of candidates against 41% in 2019
- In spite of lockdown, SEDI centres still continued training the rural youth using innovative distance and virtual technologies



Social capital

- Capacity building of trainees and improving their skills led to more placements, increase in retention rate and better job delivery, despite COVID-19
- During the national lockdown, Kodinar (Gujarat), Chandrapur (Maharashtra) and Roorkee (Uttarakhand) SEDIs were recognised for providing their General Duty Assistant trainees to hospitals in urgent requirement of staff
- SEDIs were also able to train 4,743 students and ensure job placements to 3,472 students during the lockdown

Health and sanitation

Communities residing in secluded and distant regions around our plants lack access to basic healthcare facilities. Besides, it impacts our plant workforce as the majority of our workforce come from the nearby communities. Hence it is imperative to ensure the well-being of communities and the neighbourhood around our plants. The healthcare interventions by ACF helps in ensuring appropriate healthcare for our neighbourhood communities.

Performance in 2020

- Our village health functionaries (Sakhis) helped in expanding our Maternal and Child Healthcare (MCH) interventions in villages, reducing maternal deaths, neo-natal mortality, still births and reached institutionalised delivery of 87% in our impact villages. The MCH interventions reached additional 15 villages covering 28,573 families
- Community clinics supported by village panchayats and village development committees were initiated in seven more villages during the year. A total of 1,260 patients were treated through each of the nine clinics in nine villages during the year
- ACF was among the first to initiate HIV/AIDS prevention measures for truckers through its Health Care Centres (HCC) and reach 33,471 truckers during 2020 across four locations. More than 4,591 truckers

were counselled through four integrated counselling and testing centres. Around 377 Sexually Transmitted Infection (STI) and 12 HIV cases were identified during the year. We initiated condom distribution to educate and prevent incidences of STI

- With evidence that rural India is badly impacted by non-communicable diseases, especially hypertension and diabetes, a focused programme using village leadership has been initiated to address this issue

Women empowerment

Women are the central agents in rural development for Ambuja Cement. Key programmes such as health and animal husbandry were strengthened owing to the increasing participation of women. Key projects around the areas of drinking water supply and health and sanitation are aimed at empowering rural women and engaging them in social and economic activities to ensure overall rural prosperity. Past studies conducted by the Foundation in the areas of maternal and child health or allied agriculture interventions highlighted that irrespective of programmes, engagement of women in development activities results in a higher level of confidence among them and an aspiration to do better.

Performance in 2020

- ACF promotes women-led Self-Help Groups (SHGs) to build capacity in managing accounts, credit rotation and income generation. The Foundation is supporting more than 2,413 SHGs, with 26,513 members managing a total corpus of ₹20.46 crores
- Currently, there are five women federations which are formed as an apex body to help women achieve financial independence while training them to address mainstream issues like linking to various government schemes, sanitation and domestic violence
- With financial institutions releasing schemes for women, ACF assisted 525 SHGs apply for the COVID

Sahay Loan to receive ₹4.26 crores as livelihood support. Women trained in tailoring under the livelihood enhancement programme have made 4,52,000 face masks and sold to health authorities, medical stores and even to Ambuja Cement

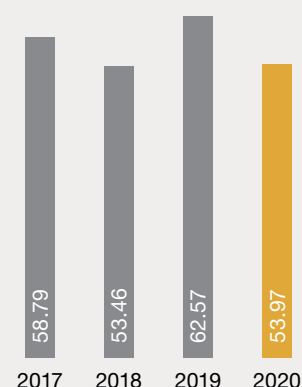
- Under the livelihood generation programme, 500 women in Sankrail, West Bengal and Punjab were involved in the opportunity of vegetable cultivation in kitchen gardens during lockdown with produce being procured by local traders and sold in local markets

Education

At Ambuja Cement, education intervention goes beyond contributing to infrastructure development in schools and colleges. It covers programmes which help in the holistic development of education systems in the locations where we operate. It involves infrastructure development as well as introduction of teaching aids and building capabilities for students and teachers alike. In a period of three years, 42 schools are now graded 'A' Category as compared to just 12 in 2016, reflecting a 350% jump. These improvements underline the success of ACF's education programme.

One key initiative is the Ambuja Manovikas Kendra (AMK), a school for specially-abled students, catering to 126 children. In 2020, 99 of them are enrolled under regular schooling,

Community investments
(₹ crores)



10 under home-based rehabilitation and 17 at the skill development centre. The project aims to train and rehabilitate 50 specially-abled youths by 2021.

We consider sports as one of the key factors driving the holistic development of students and introduced 'Make India Play' as a pilot in 10 schools. The programme is gaining increasing popularity among students and school authorities alike.

Water, sanitation and hygiene (WASH) is one of the priority areas of the Foundation. Its initiatives include provisions of safe drinking water, hand pump/submersibles, toilets and wash basins, among others.

Performance in 2020

- Introduced smart classes in 10 schools

Extending support to communities during COVID-19

The outbreak of COVID-19 and the subsequent lockdown had deep impact

on the community. We, at Ambuja Cement, initiated a host of initiatives through ACF. The initiatives included awareness creation, Information, Education and Communication (IEC) material distribution, emergency services, basic healthcare services, creation of a dedicated Single Point Of Contact (SPOC) in every village and enhanced engagement with the health systems. These steps resulted in responsible behaviour in the community.

Strategic interventions

Awareness creation	IEC material distribution	Emergency services	Basic healthcare services	Creation of SPOCs	Engagement with health systems
<ul style="list-style-type: none"> • Education on COVID-19 spread, prevention measures • Informed panchayats and villages on movement restriction • Demos on social distancing, use of face mask and handwashing • Managing isolation of returning migrants and others 	<ul style="list-style-type: none"> • Created posters, banners, hoardings and pamphlets • Information posters for village and panchayat distribution • WhatsApp update messages for truckers for COVID-19 and lockdown 	<ul style="list-style-type: none"> • For private and government health centres around villages • Provided oxygen, ventilators and ambulance services • Initiated sanitation and fumigation in villages • Distributed safety kits, PPE and hand sanitisers 	<ul style="list-style-type: none"> • Contacts shared for COVID centres, testing, treatment and facilities • Directory of toll-free numbers and essential services, including PDS, shared with the community 	<ul style="list-style-type: none"> • A SPOC created in every village • Dissemination of digital content through SPOCs • Connect in the community through WhatsApp 	<ul style="list-style-type: none"> • Sakhi engagement with health system • Monitoring home-quarantined migrants and suspect or confirmed COVID-19 affected people and families

Support initiatives

- Assisted 14,770+ families, returned migrants and labourers in the villages with ration kits
- Contributed 15 ventilators, 14 oxygen concentrators and five oxygen cylinders for COVID care centres
- Provided PPE kits, pulse oximeters, medical and infrastructural equipment

- Created livelihood opportunities – 4.5 lakh+ masks made and sold by women, a livelihood fund created for different locations, provided ₹4.26 crores loan to 526 SHGs applying for COVID-Sahay loans
- Participated in government campaigns in Gujarat and Rajasthan
- 183+ staff participated across locations for online training programme on COVID-19
- Online mental health training session covering 3,300+ people

As a step ahead, ACF is working on measures to aid government's COVID-19 vaccination programme. It has initiated vaccination awareness programmes across villages and is liaising with respective health departments for behaviour change communication interventions and helping the frontline workers in the vaccination process.

RELATIONSHIPS CAN STAY STRONG. EVEN WHEN THE THREAD IS VIRTUAL.



Relationships thrive on the power to drive change individually and collectively with strength and confidence



Ambuja KAWACH becomes first product to be launched virtually



Tech advancements becoming instant hit at several construction sites

Agile adaptation is the new competitive edge in a fast-changing world.

When we were unable to reach customers physically, we decided to go the digital route to address their seepage woes amid the raging pandemic. We launched Ambuja Kawach, a water-repellent cement, virtually, the first time in our history. It was launched successively across several markets, reaching out to ~5,000 dealers and selling 53,611 tonnes in 2020.

However, the launch brought a major challenge to the fore. Most of our customers had suspended construction work due to COVID-related restrictions. And when they restarted, there were no engineers onsite to guide the construction workers.

An engineer from the Technical Services team quickly came up with an innovative idea – to provide engineering services remotely through video calls, and rallied the entire team into action. Digital banners were put up to create awareness of the site supervision service. It became the most sought at several construction sites.

THE SUCCESSFUL LAUNCH AND OUTREACH TO CUSTOMERS AMID THE TRYING TIMES IS A TRUE REFLECTION OF THE 'I CAN' SPIRIT OF PUSHING THE BOUNDARIES WITH A 'NEVER SAY NO' MINDSET.





RELATIONSHIP CAPITAL

We foster strong partnerships with our key stakeholders, a major component of them being our consumers, suppliers and contractors. We believe, the benefits of our business should accrue as much to the Company as to these crucial segments of the value chain.

Our diverse range of environment-friendly products reach our intended customers through a robust retail network backed by superior logistics management.

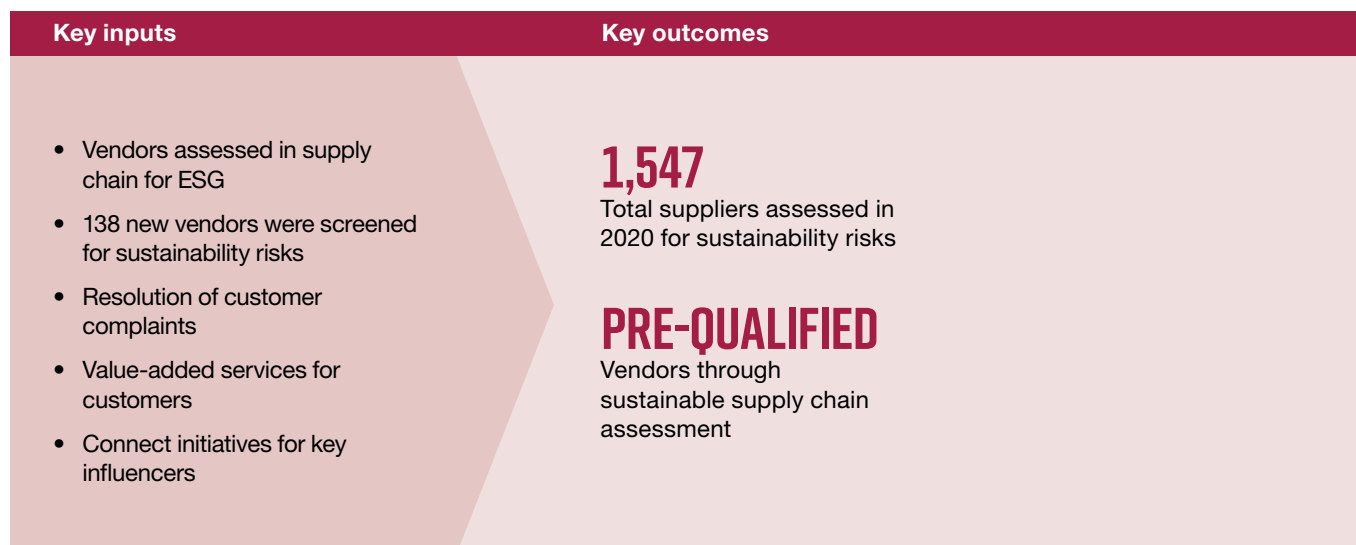
7,681

Active vendors and contractors

SDGs impacted



2020 Highlights: Nurturing relationships, ensuring higher stakeholder retention



Impact on other capitals



Financial capital

Increased customer loyalty leading to enhanced business scope and revenues



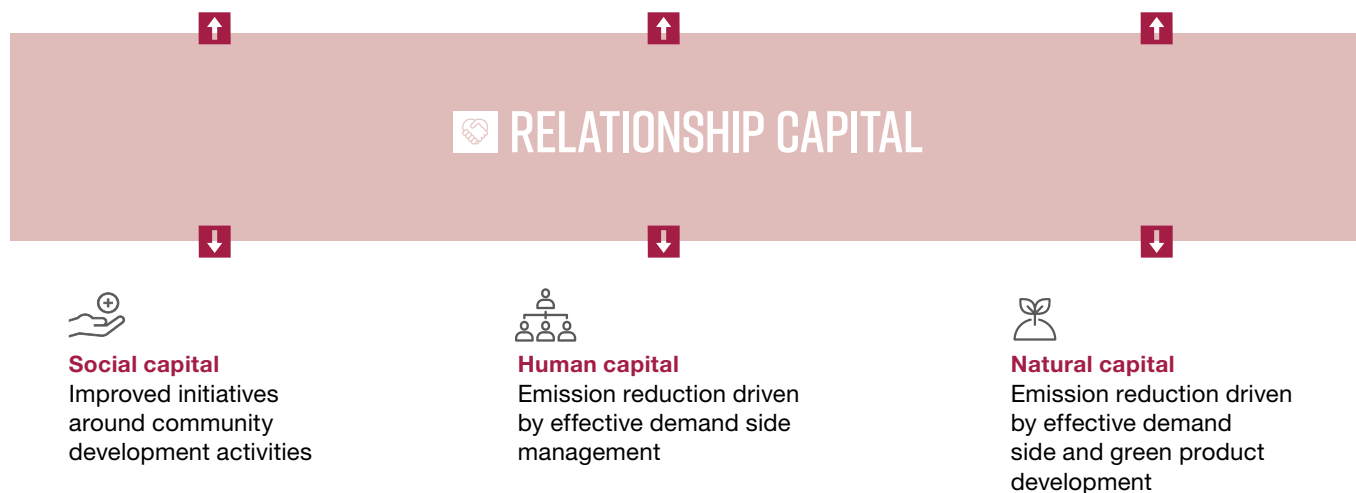
Manufactured capital

Improvement in business efficiency and service offerings through customer insights



Intellectual capital

Innovative and value-added products based on customer insights



Stakeholders impacted

- Suppliers
- Dealers
- Construction professionals
- Government and regulatory authorities
- Media

Material issues addressed

- Procurement practices
- Sustainable supply chain
- Green supply chain (logistics and transport)
- Compliance with regulatory requirements
- Marketing communication and reputation

Key risks addressed

- Maintaining market position
- Competition risk

Relationship capital

Strong product and solution offerings

Over the years, we have created a strong product portfolio for our consumers. Along with robust quality, these products are environmentally-responsible and help our consumers in saving construction cost as well as time. Our stringent quality control measures ensure that we do not compromise on raw material quality and process integrity. Our access to best practices of LafargeHolcim helps us in bringing in globally benchmarked processes in India, resulting in superior outputs. Our wide product portfolio includes differentiated products for diverse climatic conditions, along with other sustainable and innovative building materials and solutions.

Amongst the key consumer segments, we have been focusing on IHBs; we customise our product mix based on construction segment needs selectively by optimising our revenue.

Considering their busy lifestyle, our customers barely have enough time to be involved in the construction process and mostly rely on contractors. We were among the early players to notice this reliance and started focusing on the contractors. Within the span of a year, ~46,000 contractors were actively working with us.

We also introduced Ambuja Certified Technology. It is a holistic customer-way solution, designed to assist the customer in choosing the right contractor, right products, and right construction methods to build a strong and durable home. In addition to offering best quality sustainable products, it also provides a complete package of building solutions like zero water curing, concrete mix proportioning, rainwater harvesting solutions, skill up-gradation of mason and contractors and knowledge-sharing with professionals.

Customer support and satisfaction

The customer remains one of our most important stakeholders, and we have always made concerted efforts to ensure high level of customer satisfaction. We systematically measure customer satisfaction

through our engrained channels and continuously transform our services to help them build structures that are more resilient, resource-efficient and cost-effective. We measure brand equity by conducting brand health studies on individual customers. The satisfaction level of dealers is evaluated using the Net Promoter Score (NPS) methodology.

Net Promoter survey helps us to get the views of Ambuja Cement's advocates (promoters) rather than its critics (detractors).

While an NPS score above 70 is considered to be top quartile

and suggests a high number of recommenders of our brand, we received a score of 80, demonstrating the high satisfaction level among customers.

Product quality complaints are managed through a customer complaint handling system accessed through a toll-free number (1800 22 3010), printed on all cement bags.

GRI 102, 417-2, 418-1

Performance in 2020

- 9,500+ dealer network in 2020
- 35,000+ retailer network in 2020

Landmark projects where Ambuja Cement products were used

Project	Products
Mumbai Trans Harbour Link Project	Ambuja Cement and Alccofine
Mumbai Metro Project	Ambuja Cement, Alccofine, along with concrete mix design services
CLC Bridge across Govind Sagar Reservoir, Himachal Pradesh	Ambuja Plus Premium, Alccofine
Mumbai Nagpur Samruddhi Express Highway (13-16)	Ambuja Cement, along with concrete trials conducted at site lab
Oberoi Sky City, Mumbai	Ambuja Cement, along with services of HolcimHeat, Methylene Blue and Concrete Trail
Bagodara to Vasad Highway Project (Gujarat)	Ambuja Cement
Bhayla to Bagodara Highway Project-NH 47 (Gujarat)	Ambuja Cement
Baroda Kim Express Highway (Gujarat)	Ambuja Cement
Chhara Kodinar Jetty work (Gujarat)	Ambuja Cement
AIIMS Bilaspur (Chhattisgarh)	Ambuja Cement

Strengthening our market reach

At Ambuja Cement, we focus on deepening our distribution reach to capitalise on the burgeoning retail cement market in India. More than 81% of our sale is derived from retail customers. Keeping this in mind, we have consistently strengthened our market reach by deepening our presence in the existing markets and expanding to newer markets.

We enjoy a significant footprint across the western, eastern and northern markets of India, with customers ranging from IHBs to national (private and government undertakings) and international construction firms. We have a network of more than 35,000 retail stockists servicing our customers across markets. We plan to enter Bihar, Madhya Pradesh, and Eastern Uttar Pradesh to increase our presence and have appointed ~600 dealers in these three markets. We initiated various ATL and BTL activities and digital marketing campaigns to strengthen brand visibility and boosted sales in these markets through various schemes.

Our focus on premiumisation saw strong traction during 2020, driven by both push and pull effects. To take forward this premiumisation journey, we added Kawach, a water-repellent cement, and Ambuja Plus, a higher strength cement, to our portfolio. We are ensuring lower lead time to drive the sale of premium products,

along with higher profitability and 24x7 availability of technical services for our channel partners. These were backed by multiple ATL and BTL activities and digital marketing to create the pull effect.

Engaging with suppliers

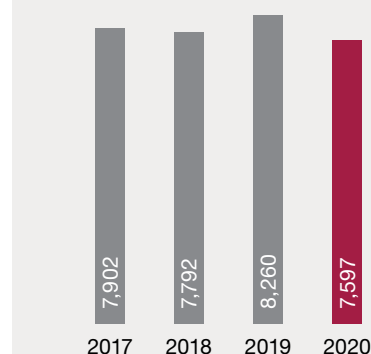
Our initiatives of engaging with suppliers include, but are not limited to, health and safety, contractor safety management, sustainable procurement, anti-bribery and anti-corruption directive, third-party due diligence and automation in SAP-Ariba. Vendors are expected and encouraged to demonstrate good corporate citizenship and sustainable development. As part of our Sustainable Procurement Initiative (SPI) we assess our suppliers, who are allocated with a sustainability risk rating based on the methodology defined in our SPI manual. Through the SPI guidelines, our suppliers are mapped for high, medium or low risks.

In 2020, we engaged with 7,681 Tier-I suppliers and prioritised the potential high-risk suppliers based on three categories – Anti-Bribery and Corruption (ABC), sustainable development and contractor health and safety. The suppliers consisting of 80% of the total spend were classified as critical. We identified 1,660 critical suppliers for sustainability assessment

out of the total Tier-I suppliers. The top three categories of critical suppliers include production services providers (including manpower contractors), facilities service providers and logistics service providers.

New suppliers are made aware of and provided with a copy of the Code of Business Conduct for Suppliers or commonly known as Supplier Code of Conduct (SCC), and their consent to follow the SCC is obtained. The SCC provides a summary of our expectation from its suppliers/contractors in all procurement dealings. The SCC covers the standards specified in Social Accountability Standard SA 8000 and EMS ISO 14001.

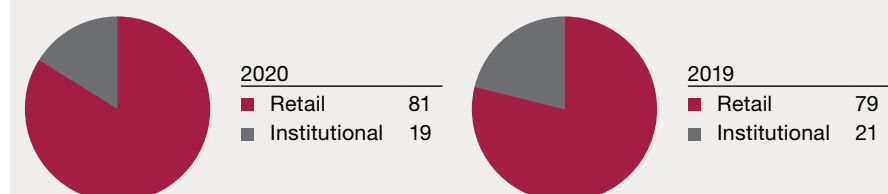
Number of local suppliers



1.4

Growth in sales volume of Ambuja Cement from 2016- 2020 (% CAGR)

Segment-wise revenue break-up (%)



Relationship capital



Relationship management

One of the key attributes of maintaining good supplier relationship is fairness and transparency. Our supportive system, ethical way of handling situations and continuous efforts at building on our relationship with partners has given us an edge in the competition.

To strengthen the bond with our dealers and vendors, we include the following initiatives in our Ambuja Parivar family engagement events and contests:

- Annual Gruhalaxmi Conference events
- Ambuja Ke Star Kalakar singing competition
- Region-wise relevant festival events like Holi Milan, Diwali Milan etc.
- Annual excursions for dealers and their families
- Ambuja Kawach Mediclaim Health Insurance Policy

- Ambuja Aasman – Award winning loyalty programme for our channel partners
- Annual scholarship for children of Ambuja Parivar members

We have developed various digital platforms to engage our stakeholders, including Ambuja Dealer Connect for our channel partners, My World for customer services; Ambuja Abhimaan for our contractors, One Channel for our sales force and Ambuja Foundation for our professionals (AEC community).

Brand development

Over the years, we, have delivered the promise of ‘giant compressive strength’ through our differentiated products and solutions for diverse customer segments. Driven by engaging communication, superior product quality, and strong technical support to consumers, we have consistently scored 5+ in Nielsen’s Brand Equity study for the last 10 years. Our innovative and interactive

communication techniques have bagged us the tag ‘The Master of Humble Brags’.

Customer engagement initiatives

During 2020, we launched Ambuja Abhimaan, a unique digital loyalty programme for our key influencers—contractors—who play a crucial role in the decision-making journey of the IHB segment. This programme aims to empower the contractors by encouraging them to gain knowledge and certification, offering them rewards for promoting sustainable construction practices and engaging them in different types of relationship-building activities.

During lockdown we also conducted few digital engagement events like Ambuja Ke Kalakar, a competition engaging the entire family in painting, cooking and photography, among others.

AMBUJA PARIVAR KE STAR SINGER

In a bid to keep our channel partners strong and motivated during the COVID-19 pandemic, our MD and CEO, Mr. Neeraj Akhoury, came up with the idea of connecting the dealers by organising a talent hunt competition on the digital platform— ‘Ambuja Parivar Ke Star Singer’.

The event saw numerous entries from dealers and their family members, who registered through Facebook, WhatsApp and other social media.

Apart from singing, there were other competitions, such as Bollywood quiz, Sangeet Sandhya, drawing contest, cooking recipe-sharing contest, among others that allowed them to show off their talents.

The Grand Finale was judged by star singer, Shaan, who enthralled the audience with his performance as well as humour and charm. The finalists got a chance to sing with him, interact with him and got some quick tips on how to improve their singing.



WE PAUSED TO SAVE LIVES. RESTARTED TO EMBRACE THE NEW.



Surat plant made special arrangements to commence production and dispatch during the lockdown



Surat plant dispatched 22,000 tonnes of cement in April 2020



Ambuja maintains compliances and manages workers as per guidelines

Is it possible to resume operations in a COVID-19 hotspot even with necessary permissions?

Is it feasible to produce and dispatch cement from an area under complete lockdown by following all government directives and without compromising on the health and safety of our people?

Faced with such unprecedented challenges, our Surat team rose above the ordinary to create a conducive environment to restore business.

The first challenge was to make arrangements for workers to live inside the plant. So, they converted the training hall and canteen into lodging facilities. Food was arranged for all within the premises. Truck drivers were also accommodated. The site was sanitised twice a day and medical check-up was conducted for all manpower.

The team worked tirelessly to create awareness on COVID-19 and alerted family members on the necessary precautions. Surat thus became our first plant to restart production on April 13, 2020 and dispatched 20,000 tonnes of cement during the month, securing around 65% market share. That's not all. Local authorities after visiting the plant highlighted its compliant operations as a model for others to emulate.

THE EXEMPLARY EFFORTS OF OUR SURAT TEAM ARE A PERFECT EMBODIMENT OF THE 'I CAN' SPIRIT – RISING ABOVE THE ORDINARY AND DELIVERING WHEN THE ODDS ARE STACKED AGAINST.





HUMAN CAPITAL

Our diverse team of skilled, accountable and engaged employees play a critical role for the sustainable growth of our organisation. We pivoted our human resource focus to provide an enabling, supportive and safe environment for our employees in this period of significant change, uncertainty and stress. Also, we prioritised keeping our people engaged, connected and well-informed.

5,046

Total employees

702

Training programmes imparted in 2020

SDGs impacted



Our human resource strategy focuses on the home grown 'I Can' philosophy, which empowers our people to set and achieve their own targets.

This results in a highly motivated workspace and increased sense of ownership.

2020 Highlights: Prioritising health and safety, developing capabilities

Key inputs	Key outcomes		
<ul style="list-style-type: none"> 5,046 total employees; 4,921 male and 125 female 142 new employees hired during 2020 36.2 million man-hours of work ₹669 crores spent on employee benefit expenditure Employee expertise, skill-sets and integrity ~11 man-hours of training imparted per employee Robust health and safety management system Health and safety audit for groups, plants and cross-functional operations 100% of workers represented by the safety committee Robust policies and procedures 	14.28 Reduction in total onsite recordable injuries (%)	23 Reduction in total injury frequency (%)	30.3 Reduction in lost time injury frequency (%)
	ZERO Onsite fatalities	444 Improvement in retention rate (basis points)	STABLE And constructive industrial relations
	2.5 Women in total workforce (%)	3.5 Women in management positions (%)	4 Women in junior management (%)
	3.4 Women in revenue generating roles (%)		

Impact on other capitals



Financial capital

- Investment in knowledge and skill development of employees
- Employee welfare expenses



Manufactured capital

- Ensured efficiency and quality in manufacturing process
- Timely and cost-effective project implementation



Intellectual capital

- Increased participation in driving innovation
- Operational readiness and transfer



Social capital

Enhanced employee experience through voluntary participation in community development initiatives



Relationship capital

Provide superior experience for consumers



Natural capital

Increased awareness and initiatives towards resource conservation and to ensure sustainability

Stakeholders impacted

- Employees

Material issues addressed

- Health and safety
- Employee training
- Gender equity
- Labour issues
- Attrition and retention rate
- Code of conduct

Key risks addressed

- Talent acquisition and retention
- Health and safety

Human capital

Human resource management

Our HR management philosophy revolves around empowering the employees to make them more productive, efficient and integral to the organisation. We aim to strike a balance between the achievement of business goals and nurturing the talent pool available to strengthen the organisation's competitive advantage.

We maintain a collaborative, inclusive, non-discriminative and safe work culture, and provide equal opportunities to all employees. We have a 'Zero Tolerance' policy towards sexual harassment at the workplace based on the applicable law. Our Codes of Business Conduct lays down acceptable professional behaviour expected from our internal and external stakeholders.

Employee benefits

Contribution to Superannuation Fund, Provident Fund (PF), Employees' State Insurance Corporation and Labour Welfare Fund form our defined contribution plan towards employee benefits. Retirement benefits such as gratuity, is considered as defined benefit obligations; they are provided based on actuarial valuation, using the projected unit credit method. Post-retirement medical benefit is now completely funded by beneficiaries. Death and disability benefit is as per the insurance policy. For most of the employees, the Provident Fund is managed by the Employees Provident Fund Organisation (EPFO). Some employees are part of the exempted PF trust of Ambuja. Healthcare, disability, invalidity coverage, life insurance, and medical benefits are available to employees. Superannuation is not available to some categories of Full-time employees (FTEs). All these benefits are offered irrespective of location. Women employees are entitled to maternity leave as per The Maternity Benefit (Amendment) Act, 2017. An employee can avail of maternity leave for a continuous period of 26 weeks, or opt for two 13 week segments, divided between the pre-natal and post-natal period as per her convenience. This benefit can be availed of up to a maximum of two children. In 2020, seven women

employees availed maternity leave; six of them remained employed for the rest of the year after resuming work, and one is still on leave. A minimum of one month notice is provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them. This is specified in the Industrial Relations Act, 1947.

Employees who spend more than a decade with the organisation are felicitated with 'Long Service Awards'.

Local minimum wage rules are followed, and employees are paid above the local minimum wages. The ratio of the standard entry-level wage as compared to the local minimum wage at significant locations that include all our operating plants is 1:1. Merit is the main parameter for recruitment, but preference is given to local hiring. We are an equal opportunity employer providing equal remuneration for women and men. The ratio of the average basic and total salary of women to men is 1.17:1 and 1.14:1, respectively management level roles and 1:1 for the entry level average total salary, considering all locations of our operations.

We have recognised trade unions affiliated to INTUC/AITUC/BMS, representing blue collar employees at different locations. Ambuja Cement respects freedom of association and allows its employees to join an independent trade union. Out of our total permanent workforce ~30% employees are covered by collective bargaining agreement.

Effective talent acquisition

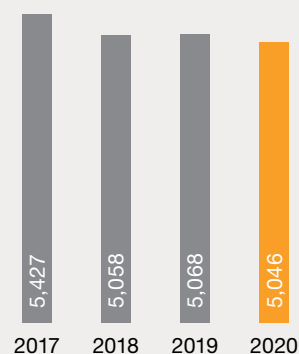
We have in place campus hiring programmes to recruit engineers and management trainees to ensure a talent pipeline that can be developed further to accelerate our growth. During the year, we recruited 142 new employees, of which 9% are women.

GRI 404-2

Learning and development

We try to constantly improve employee learning and development activities. The training needs and performance gaps identified during the appraisal process serve as the basis for

Total employees
(Number)



formulating training and development programmes for employees.

The ACC ACL Leadership Academy (AALA)—a joint academy of ACC and Ambuja Cement, started in 2012—and Techport (for technical trainings) provide leadership as well as functional trainings to employees for developing capability and competence. Apart from classroom and on-the-job trainings, we also focus on virtual e-learning trainings and webinars for a wider coverage on different topics while enabling employees to learn at their own pace and place.

Being part of the LafargeHolcim Group, we provide our employees with international exposure through short-term projects and long-term assignments.

Initiatives in 2020

Owing to the pandemic, the learning programmes in 2020 were designed around the use of digital technology. Learning became an essential tool of employee engagement and we partnered with various internal experts and functional heads to deliver these.

The learning programmes were delivered through a three-pronged approach:

- A total of 702 training programmes were conducted during 2020 including physical and virtual sessions on functional skill development, soft skill development and other modules relevant for management and personal development

- Other organisation-specific learning programmes driven by the function heads

These sessions utilised the online meeting platform, along with the in-house learning experience platform, Super Assisted Intelligent Learning (SAIL). SAIL is an application which works not only as a repository for programmes conducted, but also for content creation, curation and e-learning.

As per the business and training need analysis, we are running certification programme, role-based programmes and expert development initiatives:

Plant-specific programmes

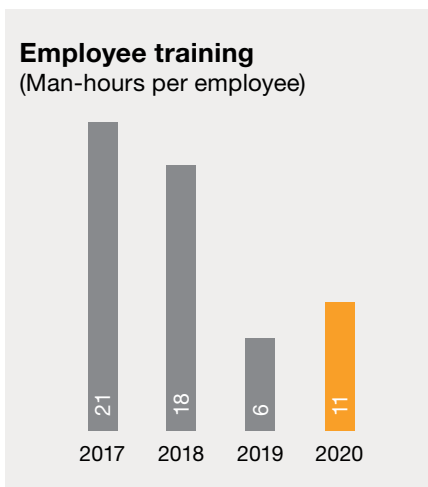
We run some specific programmes to achieve consistent operations, standard maintenance within the plant and across the plants between operators, engineers and technicians in order to achieve sustainable high performance.

Programme objective

- Consistently achieve operational and maintenance targets by having reliable operators, engineers and managers who perform well and in a safe manner
- Achieve sustainable high performance in our plants
- Standardised maintenance operation within LafargeHolcim Group standards on operation and safety

The following programmes were initiated:

- Control room operator certification
- Walk-by inspector certification
- Process engineer certification
- Preventive maintenance engineer certification
- Expert development initiative on critical skills
- Leveraging technology—remote troubleshooting and training



Talent management

Our focus on nurturing talent with care and a fair remuneration policy has helped in developing a strong sense of ownership among our employees. Structured talent reviews, supported with Individual Development Plans (IDPs) and cross-functional and cross-location assignments have resulted in a healthy talent intake. We introduced a new performance structure that defines Profit & Loss Accountability.

We initiate continuous dialogues with our employees for their feedback on deliverables, resulting in better performance management. Our dynamic objective setting, which periodically translates the business objectives into team and individual contributions, helps in driving better employee productivity. Together with our periodic inputs that incite merit increase, and bonus benefits, we are helping strengthen our employee output.

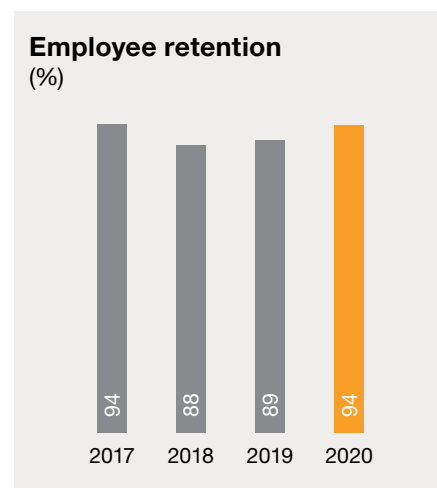
GRI 404-3

People for Tomorrow is our LafargeHolcim Group initiative to identify leading talent at our plants, close competency gaps and manage succession. It helps to ensure that we have the right people, in the right role, with the right competencies, at our industrial sites.

Shaping behaviour at work

We follow the Kirk Patrick evaluation methodology for findings the results of our training programmes, which enables us to assess and shape employee behaviour along three levels— Level 1: Reaction, Level 2: Learning, Level 3: Behaviour change, and Level 4: Results of the training (applied for few trainings).

Level 1 and Level 2 behaviour were assessed through knowledge-based programmes, largely in the large webinar category. For Level 3 assessment, action learning projects were conducted to assess whether employees can convert their learning into action. Level 3 evaluation was initiated for a host of programmes, including successor development programme, health and safety and technical trainings. The method helped us measure how a training has influenced behaviour and how this is applied on-the-job. We used this method to assess dealers following the completion of the ‘New Dealer Appointment’ training.



702

Training programmes imparted in 2020 (Physical and Online)

Human capital

Developing a leadership pipeline

We invest proactively in training initiatives for leadership development to create a robust leadership pipeline to drive the long-term growth objective of Ambuja Cement. We focused our leadership development initiatives during the year around our Strategy 2022. We directed our leadership programmes on health, cash and cost to combat the change in the business environment. The focus was on the following:

- **Build own resilience in managing the pandemic:** Our focus areas were working with emotional intelligence, managing team motivation and managing dealer relationships during the lockdown
- **Build resilience as a team:** Grooming dealers, appointing new dealers, honing cross-functional skills, working and developing stronger customer relations were part of this initiative
- **Build resilience as a business:** Negotiating with cash and cost, lean thinking, reducing cost of power and fuel, working with net zero mandates were some of the topics discussed
- **Others:** First time managerial skill development initiative was also taken up as an extension of the leadership development programme

Succession planning

Key senior positions at Ambuja Cement are now being increasingly filled internally. Our Sustainable Talent for Enhanced Performance

(STEP) programme duly complements our talent management model for succession planning of senior management.

We have created a structured talent review and succession planning process that assesses people on defined matrices and plots them in a nine-box performance and potential matrix. Based on the outcome of the matrix, the high-potential (HiPo) candidates are assessed on their preparedness and readiness to take on higher-level roles.

The identified successors undergo customised development programmes to prepare them for the higher-level roles in the organisation.

We have a pool of ready successors who will drive our growth strategy over the next three to five years.

Industrial relations

At Ambuja Cement, we believe that the interests of our employees and those of the Company are inseparable. With this principle in mind, we engage with our employee unions. On almost all the occasions, a negotiated settlement/ understanding is reached in a win-win manner.

Occupational health and safety

Health and safety (H&S) remains one of our core focus areas and we have worked to make health and safety improvement a way of life at Ambuja Cement. The year 2020 was the final year of our three-year H&S Strategy in order to take our performance in this function to a new level. We had put in place the right systems where they

were needed and focused on better implementation rather than introducing new initiatives. Our H&S improvement deliverables for 2020 were built around the theme, 'Consolidate and Strengthen As Is'.

Despite the onset of the pandemic, we were able to achieve a year of zero onsite and offsite fatality with 30.3% reduction in LTIFR. Road injuries also reduced by 56.5%.

Key challenges to H&S in 2020

The biggest challenge to operations in 2020 was the pandemic. We moved with speed and learnt to operate in a COVID-19 environment, where we had to take this as one of the risks without losing focus.

Some of our key focus areas are the following:

- Institutionalising operational discipline on the frontline, especially with regard to compliance of rules that govern safe behaviours
- Ensuring a robust permit to work system across locations
- Implementing our fatality elimination controls on the ground
- Maintaining our medical emergency response capability at the required level continuously, especially at remote locations
- Ensuring acceptable driving behaviours and compliance with minimum vehicle specifications in our logistics chain to reduce both incidents and injuries

GRI 102-41, GRI 201-3, GRI 202 (1, 2), GRI 401 (2, 3), 402-1, GRI 405-2



We focused on five pillars in our H&S process

Onsite fatality elimination	Zero harm culture	Systems and processes	Control of health risks	Road fatality reduction
<ul style="list-style-type: none"> • Zero tolerance for non-compliance • Focus on leading indicators • Minimise repeat incidents • Strengthening job risk management – HIRA, PTW and MOC • Implement mobile FEC • Establish DSCQP baseline and implement Group process • Ensure silo cleaning capability and process compliance 	<ul style="list-style-type: none"> • Greater leadership visibility in the field – Boots on Ground • Sustain ‘We Care’ through focus on ‘two minutes and three behaviours’ and behaviour-based safety • H&S leadership workshop for cluster and unit top leadership • Step up H&S competencies at all levels • Improve incident investigation capability and capacity • HSMS implementation – Marwar Mundwa and underground mine in coal block 	<ul style="list-style-type: none"> • Digital transformation – integration with iCare 2.0 • Strengthen assurance around permit to work system, HSIP implementation at unit level, action closure for cross- and intra-plant audits • Raise process safety management awareness and competency – pilot programme for Ambuja Cement • Pre-start up safety review implementation • Review and revitalise railway safety • Emergency response 	<ul style="list-style-type: none"> • Establish in-house baseline and complete survey for remaining units • Reduce dust exposure through control of fugitive emissions, review of efficacy of existing hierarchy of controls at packing plants and better housekeeping • Noise-specific control plan • Health surveillance digitisation • Reduction of manual handling at warehouses 	<ul style="list-style-type: none"> • 95% controlled fleet through monitored iVMS • 90% controlled fleet drivers trained in Incab • Effective implementation of rewards and recognition and consequence management • Minimum vehicle specification

iVMS - In-Vehicle Monitoring System, HIRA - Hazard Identification and Risk Assessment, PTW - Permit To Work, MOC - Management of Change, FEC - Fatality Elimination Control, DSCQP - Design Safety and Construction Quality Programme, HSMS - Health & Safety Management System, HSIP - Health & Safety Improvement Plan

Human capital

This plan was supported throughout the year by:

- Compliance through visible frontline leadership – Boots on Ground
- Strong mitigating measures against COVID-19, including medical emergency response
- Monthly performance monitoring at unit and corporate level
- Remote audits and self assessments on HSMS implementation at all units
- Campaigns/waves on:
 - Housekeeping
 - Permit to work
 - Machine guarding
 - Working at height
- Sharing and replication of best practices
- Timely closure of actions from audits, process safety related self-assessments and structural inspections

Achievements in 2020

Our cohesive efforts across all sites on operational discipline, systems and processes, learning from incidents, and more visible leadership presence in the field (Boots on Ground) have helped deliver stupendous results in 2020. We even registered a 2% increase in man-hours from 2019.

Highlights of our onsite H&S performance:

- Completed the year with zero harm in six units Surat (Gujarat), Dadri (Uttar Pradesh), Kochi (Kerala), Roorkee (Uttarakhand), Dirk India Private Limited (DIPL) and coal block
- Achieved more than six years of Lost Time Injury (LTI) free in two units (Surat and Dadri)
- Recorded a year of LTI free in 13 other manufacturing units
- Reported 14.28% reduction in total onsite recordable injuries compared with 2019

Road safety

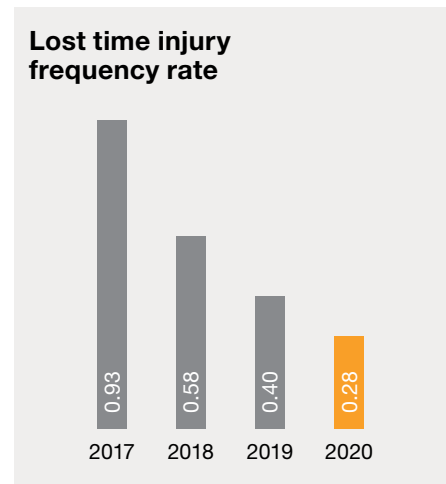
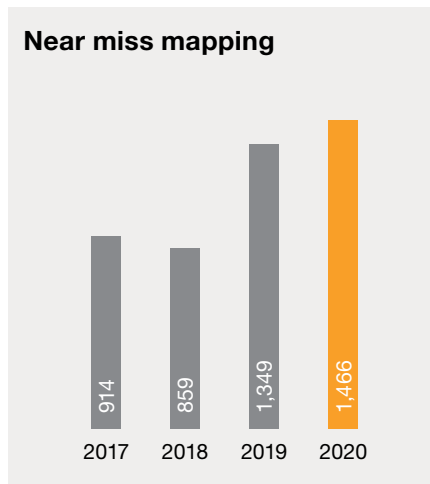
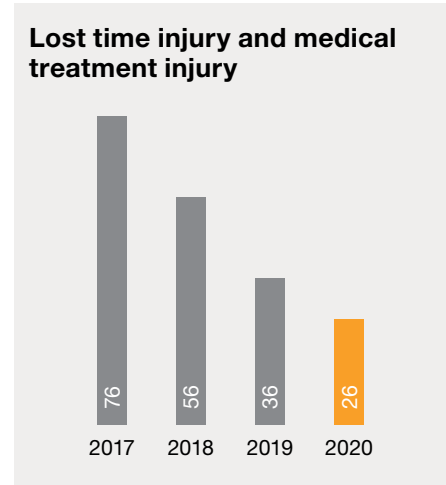
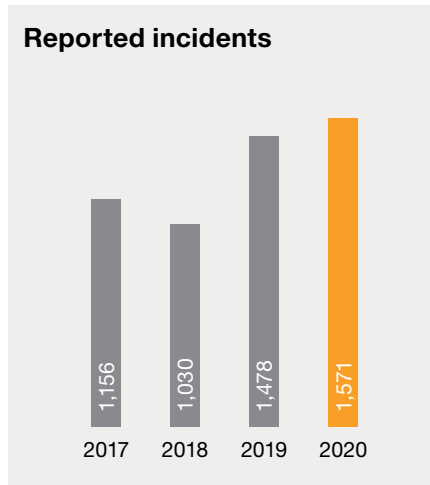
We have also progressed well on road safety, despite the impact of COVID-19, especially on counselling drivers and practical trainings. Key achievements during the year in this space are as follows:

- Reported 8.5% drop in logistics related incidents
- Completed 1,891 Incab assessments (practical on the road) covering truck drivers and company-owned four wheeler drivers

- Installed 853 iVMS and 567 voice boxes in controlled fleet trucks for better coverage of driving behaviours
- Achieved 10% increase in share of safe km by two wheelers in marketing vis-à-vis 2019

28,650

Man-hours of safety training imparted in 2020





Conflict management

Our operating mining sites are not located adjacent to indigenous peoples' territories. We address issues revolving around local communities (land acquisition and dust emission) through a consultative process and purchase land through negotiations. There were no strikes or lockouts at our mines during the reporting period.

Protecting human rights

We have stipulated our human rights policy in our Code of Conduct and Business Ethics applicable to all employees, vendors and suppliers. We also stringently follow the LafargeHolcim Group's Directive on Human Rights. Our commitment to human rights is also reinforced by our Group's participation in the UN Global Compact (UNGC), support for the Code of Business Conduct for Suppliers, and our CSR Policy.

A proactive comprehensive risk assessment is undertaken across our operations through Site Specific Impact Assessments (SSIA), wherein each operational site is assessed at least once in a three-year cycle for potential human rights risks and opportunities.

During 2020, SSIA could not be conducted on site to avoid exposure of employees and other stakeholders with potential health hazards. Besides, we continued to review the process of the human rights compliance of our plants, joint ventures and subsidiaries remotely. Our JVs and subsidiaries provided us with a declaration of their compliance to our policies and regulations on human rights protection.

We ensured that our contractual labour is covered by the Contract Labour (Regulation and Abolition) Act, along with mechanisms to monitor the compliance and report any violations.

We have a Supplier Code of Conduct (SCC) that covers various human rights aspects. We continued to sensitise our employees and security personnel on human rights and possible associated issues.

The total number of incidents, complaints or grievances of human rights violations, along with the backlog of earlier incidents is zero. No complaints were received, nor are any pending cases of child labour, forced/involuntary labour, sexual harassment and discriminatory employment.

GRI 413-1

ZERO

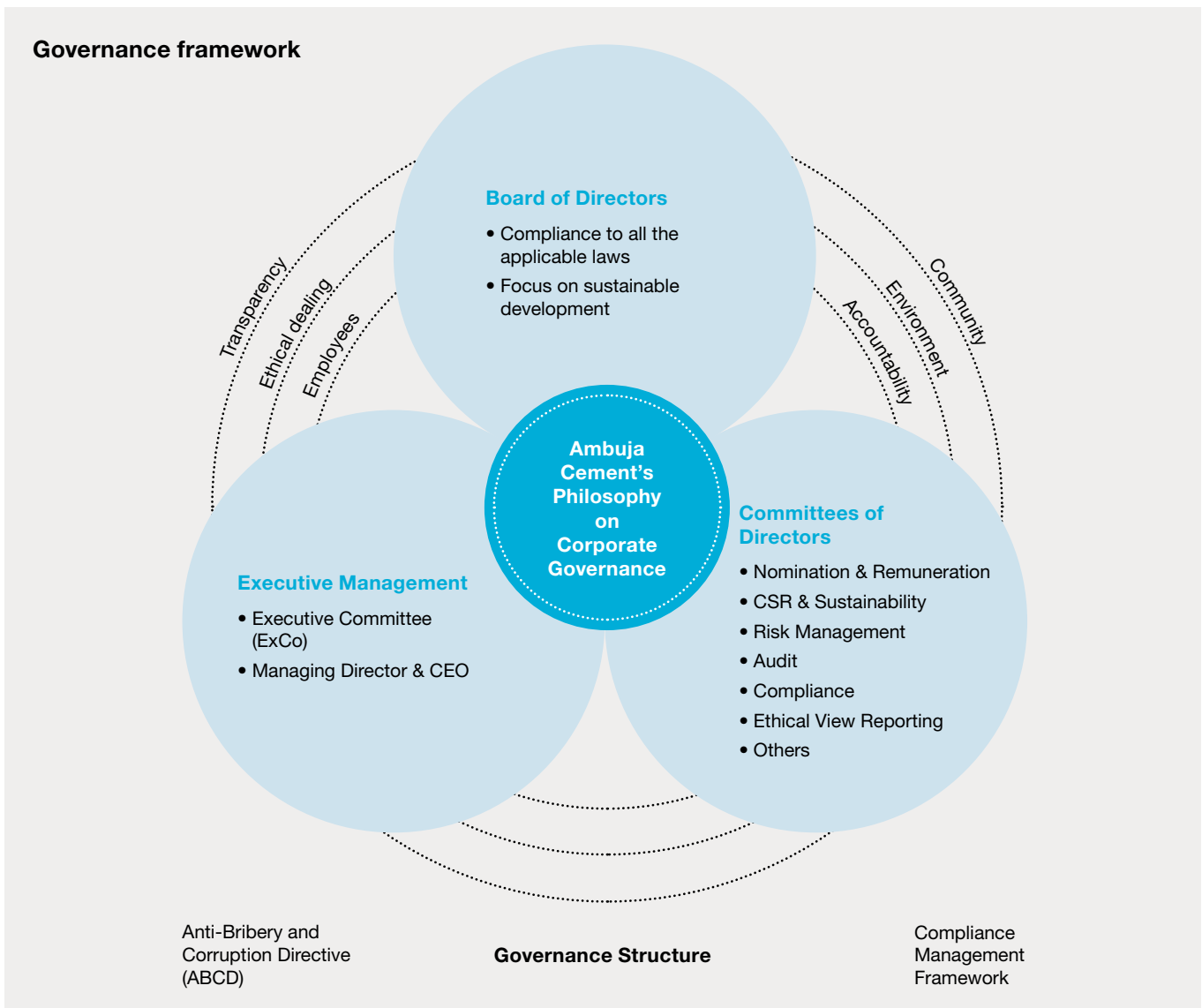
Complaints received by Ambuja Cement for violation of human rights

Governance framework

STAYING VIGILANT AND ACCOUNTABLE

At Ambuja Cement, the Board plays a pivotal role in embedding and sustaining a culture of responsibility.

We maintain the highest level of governance standards backed by superior values, ethics and policies. Our corporate governance framework sets on course the principles of responsibility, accountability and transparency in the way we conduct our operations.



Board competence and responsibilities

Ambuja Cement's Board comprises 15 Directors, 1 Executive and 14 Non-executive Directors, including 5 Independent Directors, 1 Non-Executive, Non-Independent Female Director and 1 Non-Executive, Independent Female Director (Institutional Nominee), with vast experience in the fields of building products, finance and accounting, strategy, information technology, human resource management, banking and insurance, law and regulations and capital markets, among others.

The Board actively supervises performance with regard to the key strategies of Ambuja Cement, along with other key aspects of operations, including risk management, sustainability and stakeholder relationship, among others. Regular meetings are conducted for the Board to review these practices. Active involvement of the Board is reflected in the average Board meeting attendance of 93% during 2020.

We are among the first corporate organisations in the country to involve Board-level participation for compliance, having formed a committee chaired by one of the Independent Directors.

The Board is regularly updated on the key topics that impact our business. A special meeting is arranged every year with the Board members to review and approve the business plan for the subsequent year, and the Board's feedback is incorporated in the final plan. The Audit Committee and the Board also review and approve every related-party transaction. Approval of the shareholders is sought wherever needed.

More than 40% of the Board members have been associated with the Company for five years or more, and the average tenure of the Board during 2020 was nine years.

The Directors are regularly familiarised with business processes and updates. The Company initiates interaction with the management of LafargeHolcim to keep the Directors updated about the best practices and key events

at the Group level. Details about the familiarisation programme can be accessed on the Company website at www.ambujacement.com/Upload/PDF/Familiarisation-Programme-for-Independent-Directors-Jan2021.pdf.

One of the key issues of business sustainability is succession planning. The Nomination and Remuneration Committee under the aegis of the Board, is engaged in driving succession planning of Ambuja Cement.

All related-party transactions are entered into on an arm's length basis and are compliant with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. No materially significant related party transactions, having potential conflict with the interests of the Company at large, have been made by our Promoters, Directors and key managerial personnel among others.

Details of the process to manage related-party transactions are provided on page 138 and the details of the transactions with related parties are provided in the financial statements, forming part of the Annual Report 2020.

The Board takes active interest in Environment, Social and Governance (ESG) issues under various Board committees and takes regular updates on the functioning of each project and specific updates.

Values, ethics and integrity

The Board has laid out a holistic Ethical View Policy (EVP) (akin to the Whistleblower Policy) and Anti-Bribery and Corruption Directive (ABCD) as an extension of its Code of Business Conduct and Ethics, covering the Directors, employees and relevant stakeholders of Ambuja Cement. Our 'Zero Tolerance' towards corruption and bribery ensures fair and transparent business dealings and these policies play a pivotal role in eradicating the risks of fraud, corruption and unethical business practices across our business value chain.

The implementation and maintenance of ABCD are monitored stringently by

the Audit and Compliance Committees of Directors and are periodically reviewed by the Board.

During 2020, we received 37 complaints, of which 19 complaints were pre-assessed, but did not warrant further investigation. About 17 complaints were investigated and concluded and 1 complaint is still under investigation. The investigated cases were mainly of the nature of kickbacks/favours from vendors (9%), violation of Code of Conduct (53%) and non-Code of Conduct-related (38%). The financial impact of these cases was insignificant and caused no damage to Ambuja Cement.

We have a vigil mechanism for disclosure and for avoiding conflict of interest in all our dealings, covering the Board of Directors and all employees across levels.

A more detailed review can be found in the Corporate Governance Report, forming part of this Integrated Report.

GRI 102 (16, 17, 25), 205 (1, 2, 3)

Prevention of Sexual Harassment (POSH)

We have laid out a comprehensive POSH policy in the organisation, headed by the Chief Financial Officer (CFO) and have 'Zero Tolerance' towards any misconduct. Any reported incident is investigated with due importance and appropriate decisions are taken based on the outcome of the investigation. During the year under review, we received two POSH related complaints and both have been resolved.

Investor grievance

The Stakeholder's Relationship Committee is responsible for managing investor grievances, along with the registrar and share transfer agent of Ambuja Cement. We had no pending complaints at the beginning of the year; and received 21 new complaints during the year. At the end of the reporting period, all complaints were addressed. Based on the nature of the queries/complaints, we usually take seven days to a month to resolve investors' complaints.

Awards and recognition

ACKNOWLEDGED FOR EXCELLENCE

AWARDS

- Conferred with the prestigious 'Best Customer Service Initiative' award at the Customer FEST Leadership Awards 2020
- The Rabriyawas plant was awarded the top slot in the prestigious Energy Conservation Award under the Industries Category (Cement)
- Our Chief Internal Auditor Prabhakar Mukhopadhyay was bestowed the 'Internal Auditor of the Year' award at the IIA India National Awards for Excellence in Internal Audit
- We were presented the coveted 'Best Loyalty Program in B2B Sector' award at the Customer FEST Leadership Awards 2020
- Our Gare Palma Coal Block in Chhattisgarh earned the second position amongst Open Cast Coal Mines' overall performance, while securing the first and second spots in Dump Management and General Working categories, at the 'Coal Mines Annual Safety Fortnight', celebrated under the aegis of Directorate General Of Mines Safety (Raigarh Region and South Eastern Coalfields Limited, respectively).
- ACF was conferred with the silver category award at the 'CSR Health Impact Awards 2020' for its holistic initiative in Maternal Child Health and Non-Communicable Diseases in rural India.
- Ambuja Cement Foundation (ACF) has been conferred an award in the 'Best Industry for CSR activities' category at the prestigious '2nd National Water Awards'
- Conferred with the internationally acclaimed 'LACP Annual Report Competition - 2019 Vision Awards' for innovatively and effectively preparing the Annual Report 2019
- At CII-ITC awards, Maratha Cement Works (Maharashtra) and Ambujanagar (Gujarat) units were awarded for 'Excellence in Environment Management' while Bhatapara (Chhattisgarh) unit won 'Commendation for Significant Achievement in Environment Management'. In addition, Bhatapara unit was honoured for 'Excellence in Corporate Social Responsibility' while Maratha Cement Works, and Farakka (West Bengal) units were recognised with 'Commendation for Significant Achievement in Corporate Social Responsibility'.



RECOGNITION

- Ranked 5th globally in the Dow Jones Sustainability Indices Worldwide in Construction Materials category, the only Indian Cement Company to achieve this feat
- Based on Dow Jones Sustainability Indices, Ambuja Cement is included in The Sustainability Yearbook 2021 Worldwide Rankings and also received the Bronze Class distinction for its excellent sustainability performance.

We are among the world’s highest performing sustainable companies as declared by Dow Jones Sustainability Indices (SAM ESG Research)

- Ranked at 6th position across industries in India for positively contributing towards achieving Sustainable Development Goals in the 6th edition of Responsible Business Rankings by Futurescape

- Ambuja True Value case study has been picked up by several business schools for teaching during 2020 such as IESE Business School (Spain), College of Commerce, National Chengchi University (Taiwan), Centrale de Cas et de Médias Pédagogiques (France) in addition to Harvard Business School (USA) and Ivey Business School (Canada)



GRI indicators: Sustainability Performance (2017-2020)

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
Economic Performance & Value Creation					2017	2018	2019	2020	Target 2020
Turnover or Net Sales	₹ crores	201-1	8.1,8.2		10,250	10,977	11,353	11,175	
Direct Economic value generated	₹ crores	201-1			12,342	11,602	12,094	11,744	
Payments to providers of capital	₹ crores	201-1			822	380	381	3,657	
Payments / Benefit to governments (taxes)	₹ crores	201-1			2,332	473	906	975	
Direct economic value distributed	₹ crores	201-1			11,827	10,403	10,895	13,448	
Economic Value Retained (=Economic Value generated - Economic value distributed)	₹ crores	201-1			515	1,199	1,199	(1,704)	
Operating costs	₹ crores	201-1			7,969	8,834	8,882	8,093	
Suppliers			9.1.2, 9.3.32, 12.7.1, 10.7	✓	2017	2018	2019	2020	Target 2020
Number of Suppliers				✓	8,004	7,874	8,359	7,681	
Number of local (Indian) suppliers		204-1		✓	7,902	7,792	8,260	7,597	
Number of foreign suppliers				✓	102	82	99	84	
% of suppliers identified as "High Risk" (for sustainability criteria aligned with Supplier Code of Conduct)		308-1, 308-2, 414-1, 414-2		✓	5%	7%	6%	7%	
Number of Suppliers screened through Self Assessment Questionnaire (socials, environmental aspects)				✓	329	553	518	518	
Total suppliers assessed during the year				✓	373	767	1548	1547	
No. of Suppliers with non-compliance				✓			96	116	
No. of suppliers with action plan				✓			72	62	
No. of suppliers showed performance improvement				✓			58	56	
Monetary value of payments made to suppliers	₹ crores			✓	7,966	9,395	9,479	8,708	
Proportion of spending on local suppliers	%			✓	93	96	98	92	
Expenditure on Raw Materials				✓	-	-	-	-	
Imported	%			✓	1%	3%	6%	3%	
Indian	%			✓	99%	97%	94%	97%	
Expenditure on Spares				✓	-	-	-	-	
Imported	%			✓	11%	11%	18%	32%	
Indian	%			✓	89%	89%	82%	68%	
Government relations				✓	2017	2018	2019	2020	Target 2020
Political contribution	₹ crores	415-1, 201-1			Nil	Nil	Nil	Nil	
Total monetary value of financial assistance received from governments (grants, tax, reliefs and other finance benefits)	₹ crores	201-4 (a)			199	234	208	50	

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020	
Customer Satisfaction				✓	2017	2018	2019	2020	Target 2020	
Overall Net Promoter Score (NPS)	%			✓	54	54	59	79		
Data coverage (e.g. as % of revenues, customers, etc.):	%			✓	7%	NA	30%	65		
Environmental Performance				✓	2017	2018	2019	2020	Target 2020	
Number of plants (Cement and grinding plants)	#			✓	13	13	13	13		
Plants certified by 3 rd party for ISO:14001 EMS	#			✓	13	13	13	13		
Environmental investments	₹ crores	307-1		✓	51	102	118	31		
Capital Investments	₹ crores			✓	32	66	86	15		
Operating Expenses	₹ crores			✓	19	36	32	16		
Savings, cost avoidance, income, tax incentives, etc.	₹ crores			✓	29	153	31	5		
Number of plants/quarries reporting noncompliance cases	#			✓	Nil	Nil	Nil	Nil		
Fines or penalties paid for environmental noncompliances	₹				0	0	0	0		
Clinker Production Raw Materials				8.4.1, 12.2	✓	2017	2018	2019	2020	Target 2020
Clinker Produced	tonnes			✓	15,520,490	15,675,998	15,316,910	14,158,685		
Clinker Consumed	tonnes			✓	15,259,273	15,808,639	15,529,918	14,377,385		
Limestone-Own mines	tonnes			✓	21,681,972	22,412,489	22,049,486	20,084,455		
Limestone Purchased	tonnes			✓	944,864	1,277,31	568,709	6,81,933		
Total Limestone	tonnes			✓	22,626,836	23,689,620	22,618,195	20,766,388		
Clay & Shale	tonnes			✓	551,041	534,998	570,698	616,836		
Silica corrective (Sandstone, Silica sand, Bed Material, China Clay)	tonnes			✓	196,902	146,371	84,074	82,335		
Gypsum used in Kiln (SO3-provider)	tonnes			✓	5,876	12,113	1,272	11,081		
Iron correctives (Iron ore, Iron scales, Laterite, Blue dust, Mill scales, LD Sludge, Tailing Waste)	tonnes			✓	189,791	212,172	224,672	165,588		
Alumina correctives (Bauxite, Fly ash, Red ochre, Brown ochre, Low silica laterite)	tonnes			✓	101,637	156,880	212,648	196,682		
Bottom/Bed ash	tonnes			✓	44,641	27,293	13,599	18,703		
Cement Production Raw Materials					✓	2017	2018	2019	2020	Target 2020
Cementitious Materials produced	tonnes			✓	23,225,872	24,192,935	23,712,206	22,052,855		
Cement Produced	tonnes			✓	22,964,656	24,325,576	23,925,304	22,271,555		
OPC	tonnes			✓	2,271,452	2,427,930	2,628,100	2,287,536		
Blended (PPC and Composite)	tonnes		9.4, 9.5, 12.2, 12.4	✓	20,693,204	21,897,646	21,297,204	19,984,019		
Share of Sustainable Products	%			✓	90%	90%	89%	90%		
Revenue from Sustainable Products	%			✓	92	92	89	90		
Sustainable Solutions Provided					✓					
Instant Mix Proportion	No. of sites			✓		36,647	43,433	14,721		
Rain Water Harvesting System	No. of sites			✓		282	893	253		
Modular Curing System	No. of sites			✓		9,078	7,714	2,391		

GRI indicators: Sustainability Performance (2017-2020)

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
Total Gypsum	tonnes			✓	1,126,959	1,144,383	1,282,712	1,382,839	
Natural Gypsum	tonnes			✓	741,616	709,570	795,359	961,902	
Synthetic & Phosphogypsum	tonnes			✓	385,343	434,813	487,353	420,937	
Fly ash/Chemical Additives	tonnes		9.3,9.4	✓	6,551,408	6,152,996	6,917,638	6,314,501	
Total Raw Materials Used	tonnes	301-2		✓	54,021,927	55,766,446	54,543,703	50,321,341	
Total Recycled Raw Materials used	tonnes		12.5.1	✓	7,272,820	6,984,154	7,855,910	7,116,411	
% of Materials used that are Recycled Input Materials	%		12.5.1	✓	13.46%	12.52%	14.40%	14.14%	
Alternative Material Rate	%			✓	30.2	31.6	31.7	31.5	
Clinker factor (average % of clinker % in cement)				✓	66.45	64.99	64.91	64.55	
CO₂ emissions			9.4.1, 12.2.2, 13.1	✓	2017	2018	2019	2020	Target 2020
Total Scope 1 Direct emissions (Absolute gross: cement & onsite power generation)	tonnes of CO ₂	305-1, GCCA		✓	14,711,549	14,849,220	14,523,738	13,405,629	13,865,036
Total Scope 2 Indirect Emissions from Imported Electricity	tonnes of CO ₂			✓	474,479	539,597	551,219	537,403	510,000
Total Scope 3 emissions	tonnes of CO ₂	305-3		✓	2,327,684	1,932,218	1,973,623	1,755,911	
Number of Plants included in Scope-3 emissions				✓	13 of 13	13 of 13	16 of 16	16 of 16	
CO₂ from Alternate Fossil Fuel									
Biomass (kiln & non-kiln fuels)	tonnes of CO ₂			✓	162,362	176,348	156,599	126,038	
Other Alternate Fossil Fuels	tonnes of CO ₂				116,693	152,876	167,498	142,687	
Specific Gross CO ₂ emissions (Scope-1)	(kg CO ₂ /t cement)	305-4, GCCA		✓	555	536	538	536	
Specific Net CO ₂ emissions (Scope-1)	(kg CO ₂ /t cement)	GCCA		✓	550	530	531	531	
Reduction in Net CO ₂ per tonne of cementitious product (Scope-1) relative to base year 1990	%	305-5		✓	29%	31%	31%	31%	
Specific Net CO ₂ emissions (Scope-2)	(kg CO ₂ /t cement)			✓	20	22	23	24	
Other atmospheric emissions		305-7		✓	2017	2018	2019	2020	Target 2020
Number of kilns reporting				✓	9	9	9	9	
Coverage rate of CEMS (for dust, NOx, SOx)		GCCA		✓	98.6	98	99	99	
SOx emissions	tonnes	GCCA		✓	3,239	1,029	1,031	974	1,200
NOx emissions	tonnes	GCCA		✓	28,619	26,886	20,150	17,888	25000
Dust emissions	tonnes	GCCA	11.6.2	✓	782	530	371	507	500
Average Mercury (Hg) emissions	tonnes			✓	0.015	0.014	0.014	0.019	0.015
Cementitious materials defined	tonnes			✓	23,225,872	24,192,935	23,712,206	22,052,855	
Average SOx specific concentration	g/tonne cement			✓	139.4	42.5	43	44	
Average NOx specific concentration	g/tonne cement			✓	1,232.2	1,111.3	850	811	
Average Dust specific concentration	g/tonne cement			✓	33.7	21.9	16	23	

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
Energy				✓	2017	2018	2019	2020	Target 2020
Direct /Thermal Energy Consumption		302-1	12.2						
Kiln Fuel Consumption									
Coal	TJ			✓	16,871	14,439	15,869	18,261	
Petrol coke	TJ			✓	30,259	32,534	30,741	25,323	
Diesel oil	TJ		7.1,7.2	✓	86	81	83	78	
Alternative fossil and mixed fuels	TJ		7.1,7.2	✓	1,426	1,904	2,032	1,494	
Biomass fuels	TJ			✓	657	895	613	406	
Non-Kiln Fuel Consumption									
Coal	TJ			✓	13,495	13,395	14,823	14,402	
Petrol coke	TJ			✓	3,117	3,296	1,658	1,295	
(Ultra) heavy fuel, bitumen	TJ			✓	54	40	35	82	
Diesel oil	TJ			✓	705	713	678	611	
Alternative biomass fuels	TJ		7.1, 7.2	✓	832	748	834	917	
Total Energy consumption from Fossil and other fuels	TJ			✓	67,502	68,044	67,368	63,827	
	MWh			✓	18,750,571	18,901,043	18,713,323	17,729,736	
Direct Energy Consumed from Wind & Solar Power Generation	Unit (KWh) Crore			✓	1.04	0.94	0.97	1.76	
	TJ			✓	37	34	35	63	
	MWh			✓	10,408	9,400	9,700	17,581	
Electricity Purchased/Imported (Indirect Energy) (excl. Corp & mktg offices)	Unit (KWh) Crore			✓	49	59	60	58	
	TJ			✓	1,761	2,107	2,157	2,103	
	MWh			✓	489,153	585,278	599,151	584,100	565,200
Total Direct & Indirect Energy Consumption from all sources	TJ			✓	69,300	70,185	69,560	65,993	
	MWh			✓	19,250,015	19,495,718	19,322,188	18,331,484	
Total Power Generation	MWh				1,449,759	1,338,100	1,273,007	1,143,871	
Total Renewable Energy Generation	MWh		7.2, 7.3	✓	107,580	95,005	101,064	136,255	
Renewable Energy Certificates Purchased	MWh			✓	68,921	0	65,506	0	
Total Renewable Energy Purchased or Generated.	MWh			✓	176,501	95,005	166,570	136,255	
% of RE generation in total power generation	%			✓	7.4%	7.1%	7.9%	11.9%	
RE Consumed as a % of total energy consumed	%			✓	0.9%	0.5%	0.9%	0.7%	
Total installed RE capacity	MWh		7.3, 13.2	✓	29.39	29.39	29.39	34.53	
Power and fuel expenses	₹ crores			✓	2,234	2,550	2,586	2,252	
Thermal energy efficiency	MJ/ton clinker	302-3	7.3, 9.4, 13.2	✓	3178	3180	3221	3218	
Thermal energy efficiency	kcal			✓	759,560	760,038	769,836	769,121	
Electrical energy efficiency	KWh/ton cement	302-3	7.3, 9.4, 13.2	✓	77.65	76.63	77	77	
Energy intensity based on turnover	MWh/Cr			✓	1878	1776	1702	1641	
LDO consumption	(l/tonne of Clinker)			✓	0.15	0.15	0.15	0.16	
Coal & other Fuels (Industry Norms-800)	kcal/Kg of Clinker			✓	755	756	779	793	

GRI indicators: Sustainability Performance (2017-2020)

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
Co-processed Waste (AF used)	tonnes in lakhs		12.5	✓	2.58	2.9	3.1	2.8	
Thermal Substitution Rate (% thermal energy from alternative fuels)	%	301-2		✓	4.22	5.61	5.36	4.17	
Biodiversity and resources conservation			15.1.1, 15.2.1, 15.5.1	✓	2017	2018	2019	2020	Target 2020
Total number of quarries			15.3.1	✓	10	10	10	10	
Total land disturbed	Ha	304 (1,3), MM1		✓	1,542	1,607	1,618	1,719	
Total rehabilitated area	Ha			✓	155	154	164	169	
Total land disturbed but not yet rehabilitated as presently used for working	Ha			✓	1,387	832	716	1,550	
Approved mining plans of local authorities (% sites)	%	304-1		✓	100	100	100	100	
% of sites with quarry rehabilitation plans in place	%	“304-3, GCCA”		✓	100	100	100	100	
Number of biodiversity-sensitive sites				✓	2	2	2	2	
Number of biodiversity-sensitive sites with Biodiversity Action Plans in place		GCCA		✓	2	2	2	2	
Number of IUCN Red List species at Ambujanagar and Darlaghat sites	Critically Endangered			✓	1	1	1	1	
	Endangered			✓	1	1	1	1	
	Vulnerable			✓	3	3	4	4	
	Near Threatened			✓	4	4	21	23	
	Of Least Concern			✓	218	175	175	175	
Water				✓	2017	2018	2019	2020	Target 2020
Specific Operational Fresh Water withdrawal	lit/t cement			✓	68	63	68	77	
% of sites in water stressed area	%			✓	60	23	30.7	39	
Outbound Logistics / Dispatches				✓	2017	2018	2019	2020	Target 2020
Sea (Bulk Cement Ships)	million tonnes			✓	3	3	3	3	
Railways (railway/Rake)	million tonnes			✓	6	6	6	5	
Road (Trucks & Bulkers)	million tonnes			✓	14	15	15	15	
Total	million tonnes			✓	23	24	24	22	
Sea	%			✓	13%	12%	13%	12%	
Rail	%			✓	25%	25%	24%	23%	
Road	%			✓	62%	63%	63%	65%	
Road direct dispatch	%			✓	60%	57%	55%	60%	
Lead distance	km			✓	281	283	276	278	
Waste management and recycling				✓	2017	2018	2019	2020	Target 2020
Hazardous waste generated	tonnes	306-2	12.4.2	✓	575	511	646	326	
Non-hazardous waste generated	tonnes			✓	362,479	383,200	414,287	342,071	
Total Waste disposed	tonnes		11.6.1	✓	133.12	73	45	24	100

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
Waste reused/recycled/sold				✓	362,920.88	383,638	414,888	342,374	
Waste Mgmt System Data Coverage (%)	%			✓	100	100	100	100	
Co-processed Waste (AF used)	tonnes in lacs			✓	2.58	2.9	3.1	2.8	
Plastic Wastes Co-processed	tonnes			✓	52,454	69,082	94,570	83,138	
HDPE Plastic bags used for cement packaging	tonnes			✓	37,588	32,008	34,839	33,368	
Plastic Negative Index = Plastic Wastes Co-processed/Plastic packaging bags				✓	1.4	2.2	2.7	2.5	
Total Waste Derived Resource consumed (Fly ash, slag, AF, AR, Syn/phosphogypsum)	million tonnes			✓	7.5	7.9	8.7	8.2	
Social Performance				✓	2017	2018	2019	2020	Target 2020
Employment practices			9.2.2	✓	2017	2018	2019	2020	Target 2020
Number of Total Employees	102-8			✓	5,427	5,058	5,068	5,046	
Management staff				✓	3,728	3,536	3,562	3,548	
Non-Management staff				✓	1,699	1,522	1,506	1,498	
Male				✓	5,296	4,940	4,943	4,921	
Under 30 years of age				✓	484	452	415	442	
30-50 years of age				✓	3,757	3,486	3,248	3,047	
>50 years of age				✓	1,055	1,002	1,280	1,432	
Female	405-1			✓	131	118	125	125	
Under 30 years of age				✓	40	36	36	39	
30-50 years of age				✓	73	72	78	73	
>50 years of age				✓	18	10	11	13	
Female-Top management level		5.1.2		✓	2	2	3	3	
Female-Senior management level				✓	2	3	1	1	
Female-Middle management level				✓	23	22	21	22	
Number of temporary/contractual/casual Employees	102-8			✓	6,818	5,995	6,392	6,057	
Male				✓	6,785	5,972	6,364	6,030	
Female				✓	33	23	28	27	
Number of Employees with Disability	405			✓	21	21	6	11	
New employee hires	401-1	8.3, 8.9		✓	340	376	555	142	
Male < 30 years				✓	144	189	243	48	
Male 30-50 years				✓	169	159	265	72	
Male >50 years				✓	5	11	13	9	
Female < 30 years				✓	14	13	19	7	
Female 30-50 years				✓	8	4	15	6	
Female >50 years				✓	0	0	0	0	
Employee turnover (%)	401-1			✓	6	12.36	10.8	6.36	
Notice given for operational changes				✓	1 Month	1 Month	1 Month	1 Month	
Employee Engagement Score				✓	87%	NA	NA	NA	
Employee grievance procedures in place				✓	Yes	Yes	Yes	Yes	
Anonymous grievances submission				✓	Yes	Yes	Yes	Yes	

GRI indicators: Sustainability Performance (2017-2020)

	GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
No. of training programs conducted								
Top Management Level			✓	26	68	16	30	
Senior Management Level			✓	81	956	105	150	
Middle Management Level			✓	125	5,457	164	238	
Other org. levels [First Management Level (FML) & Wage Board]			✓	172	5,615	172	284	
Total			✓	404	12,096	457	702	
Hours of training per employee	404-1		✓	-	-	-	-	
Top Management Level			✓	10	3	7	5	
Senior Management Level			✓	23	5	14	13	
Middle Management Level			✓	19	4	17	13	
Other organizational levels (First Management Level (FML) & Wage Board)			✓	31	6	4	11	
Average of all levels			✓	21	18	6	11	
Ratio of % increase in annual total compensation for the highest-paid individual to the median % increase in annual total compensation for all employees			✓	9.6(*)	17.85	-1.36	Highest paid employee did not get any rise in Compensation.	
Number of employees who opted for parental leave	401-3		✓	3	7	8	7	
Number of employees who resumed office after parental leave			✓	3	6	6	6	
Number of employees who are still on parental leave			✓	0	1	2	1	
Health and Safety		8.1,8.2	✓	2017	2018	2019	2020	Target 2020
% of workforce represented by committees.	%	403-1	✓	100	100	100	100	
% Plants with joint health and safety committees	%	403-1	✓	100	100	100	100	
Plants certified with OHSAS 18000			✓	All	All	All	All	
No. of Safety trainings programs conducted			✓			93,409	71,726	
Directly Employed (own and subcontractors)			✓			9,657	9,482	
Indirectly employed (3 rd party service providers)			✓			11,506	19,168	
Drivers		3.6, 11.2	✓			72,246	43,706	
Number of Fatalities	403-2		✓	-	-	-	-	
Directly Employed (own and subcontractors Onsite)			✓	3	2	1	0	
Indirectly employed (3 rd party service providers Onsite)			✓	0	0	0	0	
Others (Offsite)			✓	2	3	3	0	
Total fatalities			✓	5	5	4	0	
Lost-time injury frequency rate (LTIFR)	#/million Hrs.	403-2	✓	0.93	0.58	0.4	0.28	

		GRI Std / GCCA KPIs	SDG Target	Assurance	2017	2018	2019	2020	Target 2020
Directly employed (Own & subcontractors onsite)				✓	0.86	0.64	0.52	0.33	
Indirectly employed (3 rd party service providers on site)				✓	0.97	0.54	0.34	0.25	
LTISR				✓	97.17	44.09	13.21	10.75	
LTI & MTI				✓	76	56	36	26	
Occupational Diseased	Nos.	403-2		✓	0	0	0	0	
Occupational Illness Frequency Rate (OIFR)	number/ million work hrs.			✓	0	0	0	0	
Community involvement				✓	2017	2018	2019	2020	Target 2020
Community investments or Benefit to communities	₹ crores	201-1		✓	58.79	53.46	62.57	53.97	
Health & Sanitation Development	%		3.2	✓	16	23	17	17	
Rural Infrastructure Development	%		1.3,1.5, 9.1, 11.1	✓	16	18	23	16	
Water Resource Development	%		6.1	✓	10	14	14	11	
Skill Based Livelihood	%		4.3,4.4, 8.6	✓	14	15	18	14	
Agro Based Livelihood	%		2.3	✓	10	11	12	11	
Overheads	%			✓	2	3	3	9	
Women Development	%		1.4, 2.2,2.5, 5.1, 5.5, 6.2, 10.3	✓	3	3	3	3	
Education Development	%		4.1, 4.2, 4.3, 4.6	✓	19	12	9	14	
Others (Sports, Donations, Flood relief)	%		2.4	✓	9	1	0	5	
Net New Direct Beneficiaries in the year	Number			✓	257,272	307,997	16,6967	11,3301	
Total number of beneficiaries in the year	Million	203-1 413-1	11.2	✓	2	2.4	2.6	2.7	
Stakeholder engagement at local level:-Stakeholder dialogues, Need assessment. Stakeholder involvement in CSR planning, Community advisory panels, Community engagement plan.	% of sites	SO1		✓	100	100	100	100	
Employee Volunteering									
Total Hours	Hrs			✓	2102	1832	1044	229	
Paid Working Hours	Hrs			✓	1366	1035	788	181	
Monetary value of Paid Working Hours	₹ million			✓	0.73	0.29	0.22	0.05	
Public Policy				✓	2017	2018	2019	2020	Target 2020
Contribution/spending to trade/ commerce/industry associations and initiatives	₹ million			✓	2.7	1.9	1.1	0.73	

All figures include Ambuja's Standalone financial results. For some environmental parameters, offices & cement transportation terminals are not covered.

Assurance statement



Independent Assurance Statement

Introduction and Engagement

Ambuja Cements Limited (hereafter 'ACL' or 'the Company') engaged TUV India Private Limited (TUVI) to conduct the independent Non-Financial assurance of Integrated Report (hereinafter 'the Report'), which includes "reasonable assurance" of ACL Sustainability information for the applied reporting period, 1st January to 31st December 2020. The remote verification was conducted in January 2021.

Scope, Boundary and Limitations of Assurance

The scope of the Sustainability assurance includes following

- Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the Report over the reporting period;
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards
- Verification of the reliability of the GRI Standards Disclosure on environmental and social topics
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;
- Confirmation of the fulfilment of the GRI Standards, in accordance with the "Comprehensive" option;

The reporting boundary is based on the internal and external materiality assessment. All the manufacturing plants of ACL are part of this assurance. The reporting aspect boundaries are set out in the Report covering the sustainability performance of the ACL encompassing below sites.

Integrated Cement Plants with limestone mines: 1. Ambujanagar (Gujarat) 2. Darlaghat (Himachal Pradesh) 3. Maratha Cement Works (Maharashtra) 4. Rabriyawas (Rajasthan) 5. Bhatapara (Chhattisgarh)

Grinding Stations: 1. Roopnagar (Ropar) (Punjab) 2. Bathinda (Punjab) 3. Sankrail (West Bengal) 4. Roorkee (Uttarakhand) 5. Farakka (West Bengal) 6. Dadri (Uttar Pradesh) 7. Nalagarh (Himachal Pradesh) 8. Magdalla (Surat) (Gujarat).

Bulk Transportation Terminals: 1. Muldwarka (Gujarat), 2. Surat (Gujarat), 3. Panvel (Maharashtra), 4. Mangalore (Karnataka), and 5. Kochi (Kerala)

During the assurance process, TUVI did not identify any limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of the Sustainability Verification.

Verification Methodology

The Report was evaluated against the following criteria:

- Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the GRI Standards and AA1000AS Version 3 along with AA1000 AP (2018);
- Application of the principles and requirements of the GRI Standards, in accordance with the "Comprehensive" option;

During the assurance engagement, TUVI adopted a risk-based approach, concentrating on verification efforts on the issues of high material relevance to ACL business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows and controls. In doing so:

- TUVI reviewed the approach adopted by ACL for the stakeholder engagement and materiality



determination process. TUVI performed the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;

- TUVI verified the Sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- TUVI examined and reviewed the documents, data and other information made available by Ambuja Cements Limited for the reported disclosures including the disclosure on Management Approach and performance disclosures;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the ACL during the remote assessments
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability related policies, as described in ACL Report;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Opportunities for Improvement

The following is an extract from the observations and opportunities for improvement reported to the management of ACL and are considered in drawing our conclusions on the Report; however, they are generally consistent with the Management's objectives. Opportunities are as follows:

- The existing supplier assessment Manual can be calibrated with the contemporary best practices example ISO 20400
- ACL can complete the study of water stress analysis and disclose more robust disclosures following GRI Disclosure 303-3 Water withdrawal
- SBTi Target evaluation following sectoral de-carbonization approach or absolute based targets or economic approach may be performed and present targets can be calibrated accordingly
- Organization can accelerate the application of renewable energy at each site to increase the share of renewable energy
- ACL may develop online tool to evaluate the sustainability performance on monthly basis.
- ACL may induct parameter "% diversion of waste from landfill" as one of the reporting disclosures.
- ACL may apply the SROI outcomes to prioritize the CSR projects

Conclusions

In our opinion, based on the scope of this assurance engagement, the disclosures on Sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and performance disclosures, and meets the general content and quality requirements of the GRI Standards Comprehensive option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements for in accordance with the "Comprehensive" option. ACL refers to general disclosure to report contextual information about ACL while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: ACL followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements in accordance with the "Comprehensive" option; .

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics) and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that ACL used to prepare its Report are appropriately identified and addressed.

On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the Type 2 moderate level assurance engagement was not prepared, in all material topics, in accordance with the "Comprehensive" option. Sustainability reporting guidelines, or that the Sustainability information is not reliable in all material respects, with regards to

Assurance statement



the reporting criteria.

ACL procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the Sustainability Information are at discretion of organization. This assurance statement has been prepared in accordance with the terms of our engagement. Type 2 moderate level assurance engagement with respect to sustainability related data involves performing procedures to obtain evidence about the sustainability information. TUVI has evaluated below requirements in context of GRI Standards along with assurance of the scope 1, 2, 3, GHG emission of ACL.

Inclusivity: Stakeholder identification and engagement is carried out by ACL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering topics that are internal and external to the ACL range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of ACL. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on ACL policies and management systems including governance. In our view, the Report meets the requirements.

Impact: ACL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with LafargeHolcim (LH) Guidelines, GRI, WBCSD Cement Protocol, GCCA, CDP and DJSI as part of its, policy framework that include Environmental Policy, Sustainability Policy, Climate Change Mitigation Policy, Corporate Social Responsibility Policy etc. ACL reports on sustainability performance to Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability related issues. ACL has established non-financial KPIs aligning with LH Targets, CDP, DJSI, GCCA and WBCSD. ACL completed the process of establishing contemporary goals and targets against which performance will be monitored and disclosed periodically.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of ACL. The management of the ACL is responsible for the information provided in the Report as well as the process of collecting, analyzing and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by ACL in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by ACL, are complete and true.

TUV's Competence and Independence

TUVI is an independent, neutral, third-party providing Sustainability services, with qualified environmental and social assurance specialists. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with ACL on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this Assurance Statement. TUVI maintains complete impartiality toward any people interviewed during the assurance engagement.

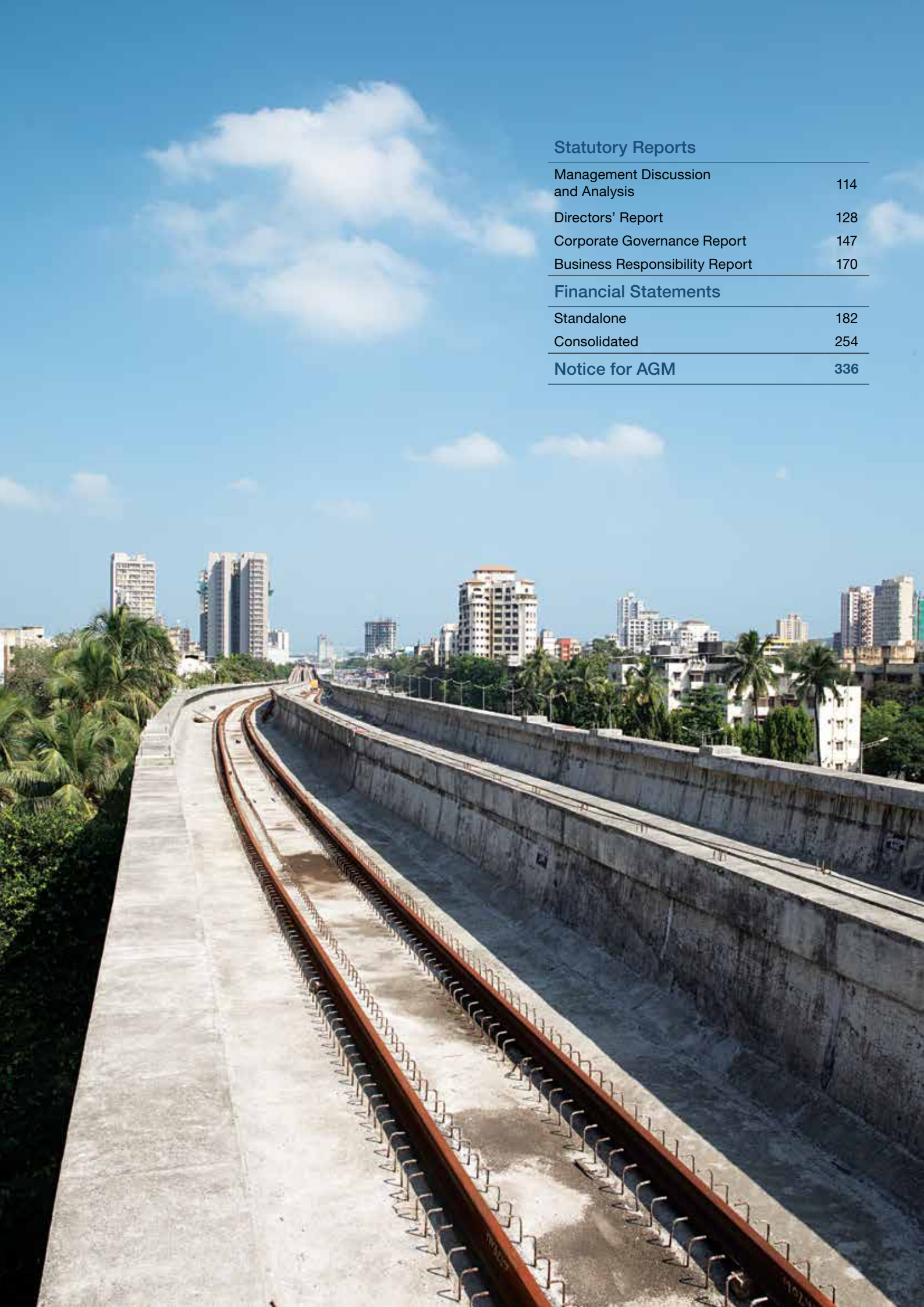
For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 23/02/2021
Place: Mumbai, India
Project Reference No: 8118826310
www.tuv-nord.com/in



AA1000
Licensed Assurance Provider
000-138



Statutory Reports

Management Discussion and Analysis	114
Directors' Report	128
Corporate Governance Report	147
Business Responsibility Report	170

Financial Statements

Standalone	182
Consolidated	254

Notice for AGM	336
----------------	-----

MANAGEMENT DISCUSSION AND ANALYSIS



AS A RESPONSIBLE CEMENT MANUFACTURER, WE AT AMBUJA CEMENT, ARE DRIVING SUSTAINABLE INITIATIVES IN INDIAN CEMENT INDUSTRY. WE WERE THE FIRST INDIAN CEMENT COMPANY TO START SEA-TRANSPORTATION OF BULK CEMENT AND HAVE NOW INTRODUCED BIO-DIESEL BLENDS FOR OUR FLEET OF CAPTIVE SHIPS TO SIGNIFICANTLY REDUCE GREEN-HOUSE GAS EMISSION.



HIGHLIGHTS 2020

CAPACITY EXPANSION LARGELY ON TRACK

The nationwide lockdown imposed to contain the coronavirus spread brought construction activities at our upcoming integrated facility in Rajasthan to a halt. This resulted in the construction workers leaving the site and made it challenging for us to get adequate manpower to resume the construction activities once the lockdown was over. The project team worked closely with the contractors to source manpower to resume construction in full swing. As soon as the lockdown was eased, we quickly resumed work, strictly adhering to the health and safety protocols as suggested by the government. We are maintaining our Medical Emergency Response Capability 24x7 at the site. Proper sanitisation activities along with social distancing norms, which has not only kept our workers safe but is also helping us to keep pace with our project completion deadline.



MOVING TOWARDS GREENER ENERGY

In a bid to increase the use of green energy and optimise resource utilisation, we have committed an investment of ₹525 crores towards installing waste heat recovery system across plants. This will not only help optimise energy cost per tonne of cement, but also fortify our position as a responsible cement manufacturer.



₹525 CRORES

Committed investment
towards WHRS installation

LEVERAGING GROUP SYNERGIES

We renewed our technical and knowhow agreement with our parent company, LafargeHolcim which will help us derive synergies across the Group globally. This agreement will help us excel in energy optimisation, manufacturing, procurement, commercial, innovation, sustainability and safety.



DRIVING PRODUCT PREMIUMISATION

We launched Ambuja Kawach, a water-repellent cement in the premium category. The product gained immense traction among customers. This will help us in our aim towards product premiumisation.





IN A NUTSHELL

₹985 CRORES
Spent towards capex

8%
Reduction in power and fuel
cost per tonne of cement

₹53.97 CRORES
Spent on CSR activities

5TH
Ranking in Dow Jones
Sustainability Index for 2020

600
New dealers
added

142
New recruits



ECONOMIC REVIEW

Global

The year 2020 started with the US and China signing the trade deal and stalemate over Brexit coming to end, which indicated some signs of recovery. That said, with the onset of COVID-19 and subsequent lockdowns imposed across the world to contain the virus spread, economic activities came to a standstill. This synchronised pause led to a significant contraction during the first half of 2020. With the easing of lockdown norms at the end of the second quarter, the economy rebounded sharply, though global output is estimated to decline by 3.5% for the full year, as against a growth of 2.8% reported in 2019.

Outlook

The global economy is projected to grow 5.5% in 2021 and 4.2% in 2022, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity.

Indian

The Indian economy was already grappling with a structural slowdown which resulted in six-year low GDP growth of 4.2% in 2019-20. The lockdown, which started at the end of 2019-20, remained in full swing during the first two months of 2020-21. This led to a contraction of 23.9% during the first quarter of 2020-21. However, the recovery has been 'V'-shaped after the restrictions were lifted during the second half of the year. According to the Economic Survey 2020-21, the Indian economy is likely to contract by 7.7% in 2020-21. A state-wise analysis suggests that states with a larger share in overall GDP were the ones most impacted

9.5%

India's estimated fiscal deficit for 2020-21

due to disruptions in people and trade movement. The services sector (particularly contact-based) remains more vulnerable than manufacturing.

The government announced its initial set of measures to limit the damage. This included direct cash transfers and food security measures to poor, followed by a special economic stimulus package, which was equivalent to 10% of India's GDP, with a call for building a self-reliant India.

₹20 LAKH CRORES

Size of stimulus package announced under Atmanirbhar Bharat Abhiyan 1.0

Measures were announced to provide relief to businesses, with major reforms in the labour sector by simplifying, amalgamating and rationalising 44 central labour laws, to provide effective social protection to migrant workers through national portability of ration cards.

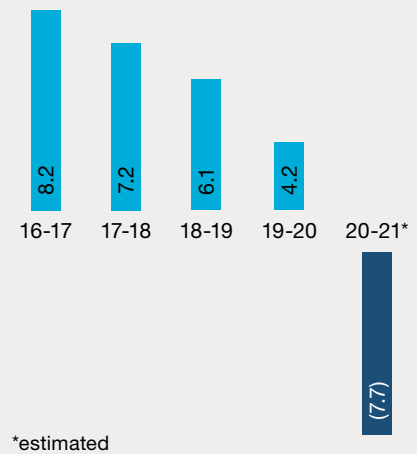
The rural sector received assistance with refinance support from NABARD, which included – injection of additional liquidity in the farm sector and by way of increased allocation for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

Growth was also triggered due to select measures taken by the government to revive economy. Four drivers that stand out in support of faster recovery are:

- Pent-up demand
- Support from agriculture and select export sectors
- Cost savings for corporates
- 'Learning to live' attitude

The sustained improvement in high-frequency indicators ignite optimism of improved economic performance and faster than expected recovery.

India's GDP growth (%)



Outlook

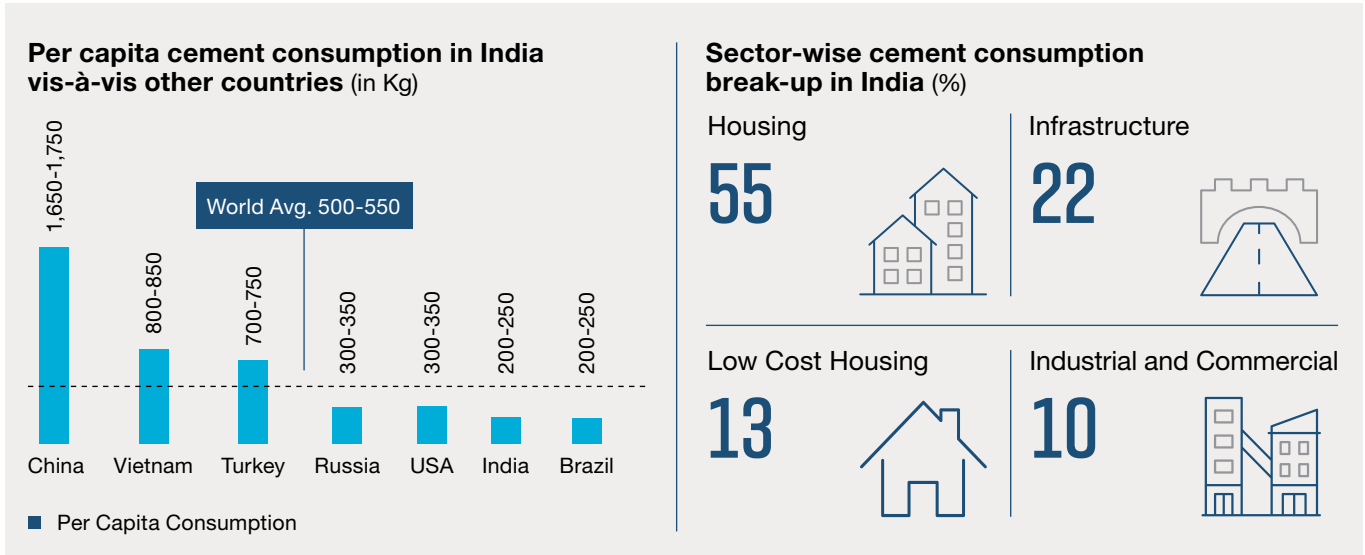
India took decisive steps to deal with the COVID-19 crisis. This proactive stance by the government and policy makers will certainly help the country's faster economic revival. With the start of the vaccination drive, India is expected to track a faster recovery in 2021-22. The Economic Survey 2021 predicts 10-12% growth in 2021-22, and back on the trend of 6.5% in 2022-23.

Industry insight

Cement industry

India is the second-largest cement producer in the world. According to Cement Manufacturers Association, the country accounts for over 8% of the overall global installed capacity. Region wise, the southern region comprises 35% of the total cement capacity, followed by the northern, eastern, western and central regions accounting for 20%, 18%, 14% and 13%, respectively. The total installed capacity of the industry stood at 509 MTPA. That said, India's per capita cement consumption at 200-250 kg remains significantly lower than the world average of 500-580 kg and China's 1,650-1,750 kg. Among the end-use sectors, housing remains the largest cement consumer in the country.

[Source: HDFC Securities/ <https://www.constructionworld.in/cement-news/Cement-industry-may-remain-in-red-zone-till-Oct/23655>]



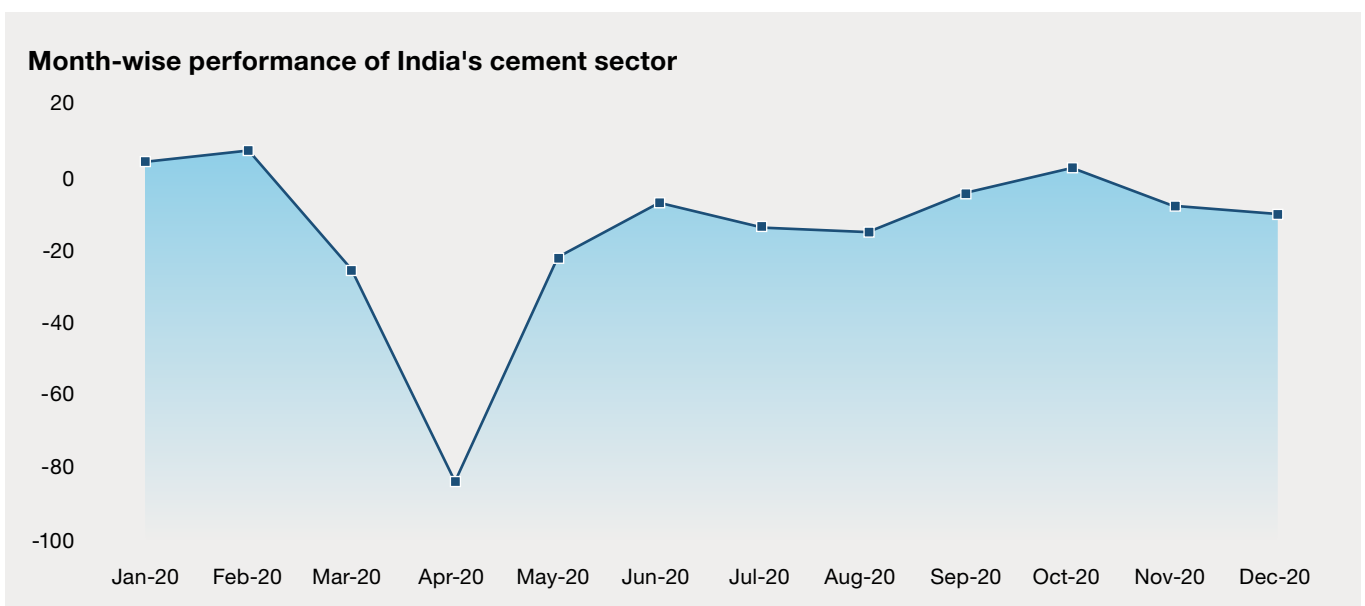
Cement demand in 2020 picked up in January and February, with the industry growing at 7-8%. However, volumes declined significantly in March due to the complete lockdown during the last 10 days of the month. Continued lockdown during April 2020 severely impacted production, sales and logistics.

With the gradual unlocking of the economy, overall demand witnessed sharp revival led by rural demand.

Rural economy was relatively less impacted by the pandemic, especially in the Northern and Eastern regions. Improvement in labour availability at construction sites post Kharif harvest (mid-November) also aided revival. Within the housing sector, demand from the rural housing segment is recovering faster than urban housing.

Recovery was envisaged in the real estate sector with sale of ~33,000 units between July and September 2020,

2.5 times of the sales reported during April-June 2020, supported by a decline in home loan rates. The Reserve Bank of India's (RBI's) move to rationalise the risk weights and link them to loan-to-value ratio for all new housing loans sanctioned up to March 31, 2022, is expected to further give a fillip to the sector. To revive demand in the real estate sector, some of the states reduced the stamp duty on property registration.



■ Cement output growth rate

[Source: https://eaindustry.nic.in/eight_core_infra/Eight_Infra.pdf]

Regional demand analysis

Northern region: Demand momentum improved mainly supported by increasing movement of interstate road transport and revival in rural trade.

Central region: Favourable monsoon, bumper Rabi yields, and various government programmes supported the rural economy, resulting in improvement in rural demand.

Eastern region: Improving cash flows in the hands of farmers and rural population and migrant labourers coming back to their native places resulted in construction/extension of houses, which aided demand.

Western region: Recovery was relatively slow compared to other regions. Demand from real estate is expected

to remain tepid as inventory overhang is likely to continue with muted supply addition and construction of ongoing projects taking a hit.

Southern region: Demand scenario improved in non-metro areas mainly led by a sharp uptick in sales volumes for state government funded projects. Rural housing has also picked up pace on a low base.

Outlook

Outlook for the cement sector in the medium term remains positive with continued focus on affordable housing. The government is aiming at completing construction of all houses under the scheme by 2022, which could accelerate the pace of demand recovery.

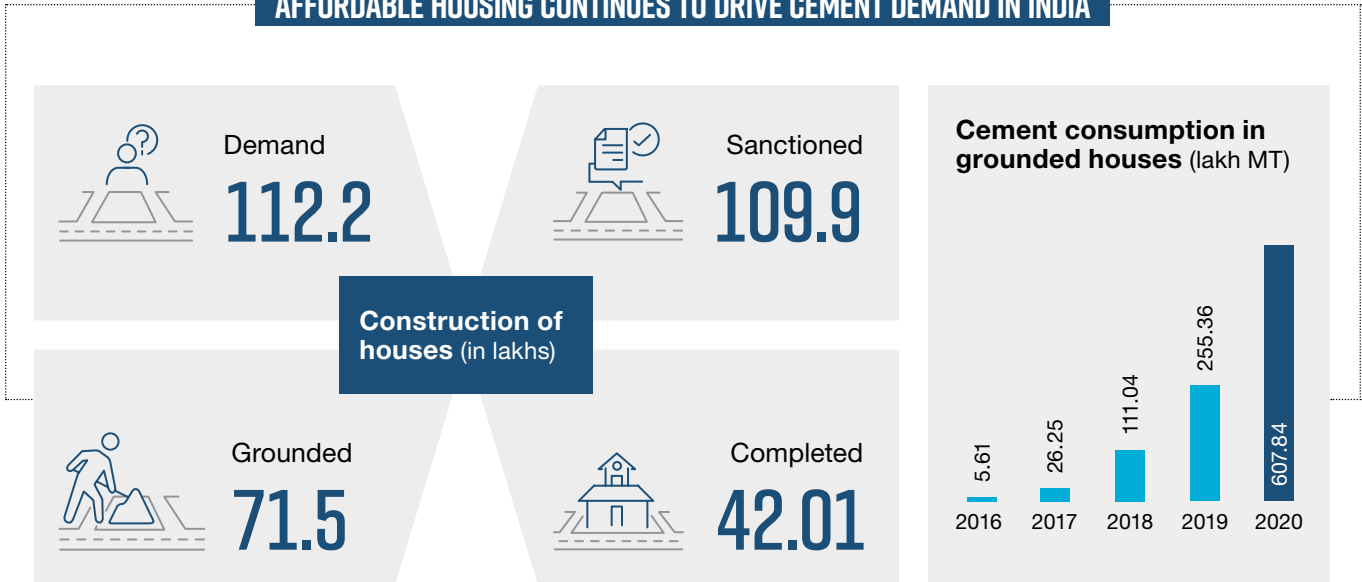
Over the medium term, we expect all India cement demand to grow at ~5-6% on average mainly on the back of rural housing (accounts for 30% of the cement consumption), followed by the infrastructure segment (20-25%), mainly railways, roads and housing for all.

₹111 LAKH CRORES

Envisaged investment in National Infrastructure Pipeline by 2024-25

For a detailed discussion on the growth drivers, please refer [PAGE 26](#)

AFFORDABLE HOUSING CONTINUES TO DRIVE CEMENT DEMAND IN INDIA



[Source: PMAY (U) Achievements as on February 1, 2021]



REVIEW OF THE BUSINESS

Operational and financial performance

We are among India’s leading cement manufacturers with a capacity of 29.65 MTPA and a diverse product portfolio of Ordinary Portland Cement (OPC), Pozzolana Portland Cement (PPC), and Pozzolana Composite Cement (PCC), along with other sustainable and innovative building materials and solutions.

Navigating through challenging times

With the government of India announcing nation-wide lockdown towards the end of the first quarter of 2020 to contain the spread COVID-19 pandemic, the country witnessed complete shutdown of business and social activities. Ambuja Cement’s plants across locations were shut during the lockdown. The plants restarted operations post-lockdown following the government protocols.

A Business Response Team (BRT) was formed at LafargeHolcim India level with COVID-19 Action Teams across all units and sites. The BRT, using its expertise in HR, health and safety, communications, operations, procurement, IT, legal, compliance, security and resilience provided monitoring, guidance, advice and reporting on the preparedness of our manufacturing, logistics and marketing organisations.

We reached out to our communities with targeted initiatives such as awareness campaigns, livelihood generation activities, creation and distribution of ration kits and financial aids for migrant and casual labourers.

We gradually resumed operation in line with the directives from the government. We ensured essential



Institutionalising COVID-19 related health and safety protocols

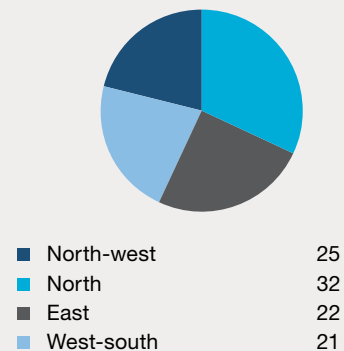
- Compliance to Personal COVID-19 Behaviour and Code of Conduct for all employees and workmen
- Health screening of employees and workers
- Maintenance of social distancing across plants, warehouses and in marketing
- Continued mental resilience programme for employees

managing, stabilised operations as per Standard Operating Procedures (SOPs) and subsequently ramped up capacity utilisation.

Sales

- Cement sales volumes declined moderately by 6%, despite the onset of COVID-19 pandemic. We produced 22.26 million tonnes of cement during the year, a decline of 7% over 2019. Our strong retail presence cushioned us from a much sharper downturn witnessed by the industry
- Cement sales value declined 2%, owing to the reported reduction in volumes
- Average realisation per tonne of cement stood at ₹4,930 as against ₹4,718 in 2019, a growth of 5%
- Our strong market pull and push strategies helped achieve an average capacity utilisation of 75% (81% in 2019)
- The eastern market was the quickest to recover once the economy was opened for activities, though the northern market remained the largest contributor to our revenues

Region-wise revenue share (%)



29.65 MTPA
Manufacturing capacity



Financial performance

- Revenue from the operations for the year reported a 3% decline from ₹11,668 crores in 2019 to ₹11,372 crores in 2020, largely owing to the loss of sales on account of pandemic in the economy
- Stringent cost control measures helped us to report an operating EBITDA of ₹2,647 crores during the year under review, registering a growth of 23% over 2019. Net Profit for the year stood at ₹1,790 crores in 2020, a growth of 17% over 2019. Operating EBITDA and Net Profit margin for the year stood at 23.7% and 16.0%, respectively, reporting a growth of 480 basis points and 260 basis points, respectively over 2019
- Earnings per share stood at ₹9.02 for the year
- Despite a challenging year, total cost in absolute terms stood at ₹9,329 crores, 8% decline over ₹10,146 crores reported in 2019. Raw material cost stood at 9% of total cost against 10% in 2019
- Power and fuel cost stood at 24% of the total cost in 2020 against 26% in 2019
- Logistics cost as a percentage of total cost was same at 31% in 2020
- Cash generated from operations increased from ₹2,485 crores in 2019 to ₹2,606 crores in 2020

KEY FINANCIAL RATIOS

Inventory turnover (days)

2020	13.14
2019	10.17

Current ratio (x)

2020	0.98
2019	1.54

Operating EBITDA margin (%)

2020	23.7
2019	18.9

Net Profit margin (%)

2020	16.0
2019	13.4

Return on average capital employed (%)

2020	11
2019	9

For a detailed discussion on the financial capital, please refer [PAGE 40](#)

Performance of 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 provided below:

- Cement sales volumes in 2020 stood at 25.5 million tonnes, 12% decline as against 2019
- Operating EBITDA for the year stood at ₹2,484 crores, against ₹2,413 crores in the previous year, reflecting a growth of 3%, driven by stringent cost control measures
- Profit After Tax for the year increased 4% to ₹1,430 crores against ₹1,378 crores in the previous year

Market development

- We implemented several Above The Line (ATL) and Below The Line (BTL) activities for better market penetration.
- We launched Kawach, a premium water-repellent cement and Ambuja Plus, a higher strength cement into our premium products’ range
- Maharashtra, Punjab, Gujarat, West Bengal, Rajasthan are some of our core markets. We are extending our presence in Bihar, Madhya Pradesh, and Eastern Uttar Pradesh and appointed ~600 dealers in these three markets. We also introduced various promotional schemes to drive sales in these markets

- We launched various dealer and influencer connect programmes to enhance brand recall
- The Transport Analytics Centre (TAC) and implementation of Blue Yonder software is helping us in optimising logistics cost as well as in effective dealer servicing

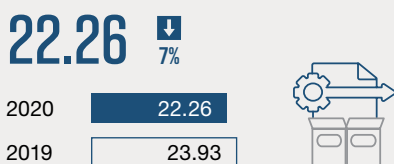
For a detailed discussion on the manufactured capital, please refer [PAGE 46](#)

Road ahead

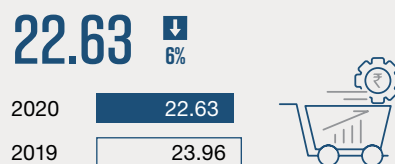
In the coming year, we aim to add more sustainable and innovative products, which would enhance our profitability. We will concentrate on deepening our presence further in our rural and semi-urban markets and earn higher margins. We also intend to capture all the white spaces in existing markets using our technical services and other engagement activities.

PERFORMANCE SNAPSHOT

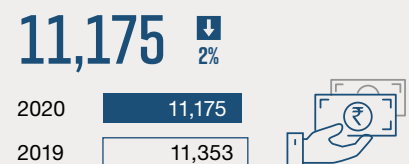
Production (million tonnes)



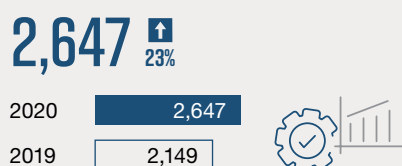
Sales volume (million tonnes)



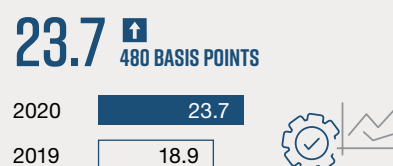
Net sales (₹ crores)



Operating EBIDTA (₹ crores)



Operating EBIDTA margin (%)





STRATEGIES

Keeping in mind the pandemic, we devised a short-term strategy, aimed at health, cost and cash to mitigate immediate risks. We focused on ensuring the health and safety of our employees, suppliers and channel partners, while initiating stringent measures to control costs and strengthen cash flows.

Our long-term strategies include increasing our market reach through capacity expansion, launch of innovative and superior quality products; enhance efficiency through digital transformation, cost optimisation and logistics efficiency; and achieve our sustainability goals through our targeted initiatives across four pillars of our sustainable development plan.

Increase market share

With per capita cement consumption in India at an abysmal low against the global average coupled with significant investments in infrastructure and housing sector, cement demand in India will continue to be robust in the coming years. We are a trusted player in the retail segment and will continue to undertake initiatives to drive market share. Our upcoming facility in Marwar Mundwa, Rajasthan will enhance our cement capacities by 6% and we will continue to explore attractive opportunities, to expand our manufacturing capacities at strategic locations.

We already have a deep distribution network of channel partners, along with influencer connect initiatives driving supply and demand in the market. We are furthering our penetration through entry in new markets and appointing dealers to drive offtake.

1.8 MTPA

Additional cement capacity to come onstream, post completion of the Marwar Mundwa greenfield project

Drive premiumisation

With our innovation team, we are focusing on identifying the key need gap areas of our customers to offer products which are in the premium category. This is expected to drive better traction for our brand on one hand and improve average realisation on the other. Our stringent monitoring across the value chain ensures highest quality standards for our products.

11%

Share of premium products in total income, 2020

Enhance efficiency

The key goal of our efficiency enhancement strategy revolves around making us, the most competitive cement player in India. Our digital transformation journey will help improve efficiency across the value chain. We have initiated operational efficiency programme, which will enable us to optimise cost. We are undertaking specific initiatives in logistics to optimise cost and reduce our carbon footprint.

Achieve sustainability goals

With the aspiration of being a leader in sustainable business practices, we are taking strong measures in reducing our environmental footprint. This is achieved through resource optimisation, reduction in Green House Gas (GHG) emission, water conservation, promotion of circular economy and community development initiatives.

463 kg

Targeted CO₂ emission per tonne of cement as SD Ambition 2030



For a detailed discussion on the strategic framework, please refer [PAGE 22](#)



RISKS AND CONCERNS

Enterprise Risk Management (ERM) process is an integral part of yearly business plan at Ambuja Cement. It is valued as an important strategic tool for strengthening organisation's risk assessment. This process helps us identify variables (risks and opportunities) to which the Company may be exposed - internal or external, or emerging.

Risk management at Ambuja Cement involves a systematic approach to identify, assess, manage and monitor risks that can affect the organisation's ability to achieve its objectives. Both 'top-down' and 'bottom-up' approaches are taken for assessing risks/opportunities, which is then consolidated/calibrated to get an overview of the entire organisation.

The Risk Management Committee is Chaired by Mr. Rajendra Chitale, Independent Director. The Committee reviews and discusses the risk trends, exposure and potential impact analysis (including sustainability and information security related risks).

The key risks were identified in the following areas:

- Maintaining market position in a highly volatile, uncertain, complex and ambiguous (VUCA) environment
- Securing key inputs to remain cost-competitive and ensure sustainable supply
- Protecting the environment to continuously focus on sustainability
- Cyber security risks
- Health and safety to progress towards Zero Harm

Effective mitigation strategies have been developed against each of the identified risks.

For a detailed discussion on the risk management, please refer [PAGE 34](#)



HEALTH AND SAFETY

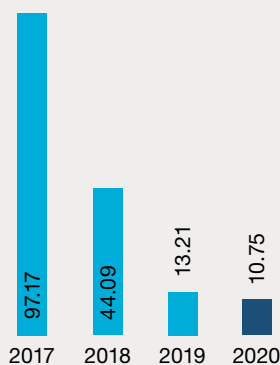
We believe that our employees and third parties visiting our facilities are entitled to a safe and healthy working environment and we ensure to provide it. With the outbreak of COVID-19, health and safety assumed more significance than ever.

The extensive focus on the development and implementation of workplace response plans to address COVID-19-related health and safety risks at each site ensured that our people felt safe and were informed about the necessary preventive measures.

We adapted to working against the backdrop of the pandemic and considered it as one of the risks. We continued to focus on the overall goal of 'Zero Harm' in the organisation.

Our concerted efforts have resulted in 30% reduction in Lost Time Injury Frequency Rate (LTIFR) and achieved zero fatality across the plants during the year.

Lost time injury severity rate



For a detailed discussion on the human capital, please refer [PAGE 88](#)



ENVIRONMENT AND SUSTAINABILITY

We have been setting benchmarks in creating a sustainable business operation in the industry. Continuous improvement, enhanced process efficiency and periodic capital expenditures have helped us position Ambuja Cement one of the most responsible cement manufacturers in the country.

In line with our parent LafargeHolcim, we have developed Sustainable Development Plan 2030, identifying four key pillars (climate and energy, circular economy, water and nature, and community) under which key initiatives are undertaken. Despite a challenging 2020, we were able to achieve considerable improvements across the targets and are on track with the agenda of 2030.

Our sustainability initiatives are aligned with United Nations' Sustainable Development Goals (UN SDGs) and reported in accordance with the latest Global Reporting Initiatives (GRI) Standards.

We have developed an Environment Product Declaration (EPD) after a detailed lifecycle assessment of

our PPC, low carbon products and composite cements. The EPD is available in the public domain for B2B communication and empowers customers to make informed decisions.

We are 8 times water positive and emerged 2.5 times plastic negative through co-processing of plastic wastes in our kilns.

The positive changes made through our sustainability efforts helped us win 5th position in Dow Jones Sustainability Index (DJSI) among construction materials companies globally. We are the only organisation to feature in the top five list, three years in a row.

531 KG

CO₂ emission per tonne of cementitious materials in 2020



For a detailed discussion on the natural capital, please refer [PAGE 62](#)





DIGITAL TRANSFORMATION

The pandemic has led us to realign our strategy around digital transformation. We comprehensively rebuilt our digital strategy to build new capabilities during the year.

The digital transformation encompasses the entire value chain, including manufacturing, logistics, sales and marketing, consumer connect, finance and human resources.

Digital elements are intertwined in the business processes as a major media for capturing and disseminating information, analysing operational parameters and engaging with all stakeholders. It has had a direct impact on bettering customer services, relationship management, operational efficiency and monitoring of operational KPIs.

Our focused interventions during the year included implementation of tools of automation for our manufacturing operations to enhance efficiency and plant uptime, sales force automation, dealer connect applications and system for logistical integration, among others.

We are also leveraging the power of artificial intelligence and machine learnings to mitigate business risks and steer Ambuja Cement to meet the intended KPIs.

For a detailed discussion on the intellectual capital, please refer [PAGE 54](#)



CORPORATE SOCIAL RESPONSIBILITY

Our community development initiatives are implemented at a local level through the business units, thereby channelling contributions to areas of greatest impact in the local context. We have been working towards the development of our community since the beginning of our corporate journey.

The activities are carried out through our CSR arm, Ambuja Cement Foundation (ACF). Through ACF, we reached 11 states covering 44 districts in India and has succeeded in bringing about change in the lives of 2.7 million people.

The key intervention areas include water resource management, skill and livelihood development, women empowerment and education for all.

The Community required our immediate assistance during the pandemic. This included development of village-level contact points for dissemination of information regarding the health and safety rules and regulations suggested by the state and central governments. We also designed digital campaigns for truckers and other village-level community members.

We also initiated manufacturing of face masks through the self-help groups we support, helping them to keep generating income.

We continuously focus on the existing initiatives and embarked on new projects in our key intervention areas.

Details on the CSR expenditure mandated as per the relevant laws, is presented under Annexure 2 of the Directors' Report. The CSR Policy of Ambuja Cement is available on the website.

2.7 MILLION

Lives touched through our interventions



For a detailed discussion on the social capital, please refer [PAGE 72](#)



HUMAN RESOURCES

At Ambuja Cement, our relentless focus is on attracting, retaining and nurturing the best of talents to lead the organisation towards achieving its strategic goals. We ensure a work culture free of discrimination and bias and provide equal opportunity to all.

Talent acquisition

Based on the gaps identified between the talents of today and requirements of tomorrow, hiring programmes were initiated for various functions. During the year, 142 new hires were recruited of which 9% were female.

Learning and development

Keeping in mind the external environment, we designed our learning and development programmes for the digital platform. The programmes focused on specific needs of sales units and plants. The organisation-wide activities emphasised health, cost and cash – our key priority during the pandemic. Specific programmes were



also initiated based on the requirements of functional heads. Employees also used our online platforms and the in-house learning platform, Super Assisted Intelligent Learning (SAIL).

Succession planning

We have institutionalised structured talent review and succession planning process to identify the leaders of tomorrow and encourage internal employees to take on strategic roles. The pool of ready successors will help us in achieving our long-term strategic goals.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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 Ambuja Cement works to strengthen such structures. We believe that a strong internal control framework is an important pillar of Corporate Governance.

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

We use IT-supported platforms to keep the Internal Financial Control (IFC) framework robust.

We periodically assess design as well as operational effectiveness of our 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.

We have 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, the IA department has acquired in-depth knowledge about the Company, our businesses, our systems and procedures, which is now institutionalised. Our 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 formalised 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.

₹669 CRORES

Employee benefit expenses during 2020



11 HOURS

Man-hours of training per employee



Outlook

With anticipated growth in the coming years, we will continue to remain an attractive employment proposition for talent. We will realign the skills of employees to suit the evolving requirements of the industry. We will continue to provide an empowering and encouraging workplace for the people.

For a detailed discussion on the human capital, please refer [PAGE 88](#)

Directors' Report

Dear Members,

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

Financial Performance – 2020

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

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

Dividend

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

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

Credit Rating

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

Management's Discussion and Analysis Report

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

Corporate Social Responsibility (CSR) and Sustainability

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

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

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

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

Disclosures under the Companies Act, 2013 and Listing Regulations

Annual Return

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

Number of Board Meetings

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

Composition of Audit Committee

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

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

Related Party Transactions

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

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

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

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

Policy on Sexual Harassment of Women at Workplace

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

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

Corporate Governance

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

Risk Management

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

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

Internal Audits and Controls

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

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

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

Managing the Risks of Fraud, Corruption and Unethical Business Practices

Vigil Mechanism/Whistle-Blower Policy

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

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

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

Code of Conduct

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

Anti-bribery and Corruption Directives (ABC Directives)

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

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

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

Board of Directors and Key Managerial Personnel

Cessation

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

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

Appointment

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

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

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

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

Retirement by Rotation

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

Key Managerial Personnel

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

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

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

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

Attributes, Qualifications and Independence of Directors and their Appointment

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

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

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

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

Independent Directors

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

In the Board's opinion, the Independent Directors are persons of high 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 2020 was carried out internally.

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

and taking into consideration the suggestions given by the Directors.

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

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

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

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

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

Remuneration Policy

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

Induction and Familiarisation Programme for Directors

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

Directors' Responsibility

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

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

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

Auditors & Auditors' Report

Statutory Auditor

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

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

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

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

Cost Auditor

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

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

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

Secretarial Auditor

The Board had appointed Mr. Himanshu S. Kamdar (CP No.3030), Partner of M/s. 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 2020 and his report is annexed as **Annexure V** to this Report. The report does not contain any qualification, reservation and adverse remarks.

Reporting of Fraud

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

Compliance with Secretarial Standards on Board and Annual General Meetings

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

Significant and Material Orders Passed by the Courts or Regulators

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

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

Particulars of loans, guarantees or investments

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

Treasury Operations

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

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

Transfer of Unclaimed Dividend and Unclaimed Shares

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

Energy, Technology and Foreign Exchange

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

Particulars of Employees

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

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

Direct Subsidiaries, Joint Ventures and Joint Operations

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

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

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

Consolidated Financial Statements

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

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

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

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

Business Responsibility Reporting

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

Other Disclosures

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

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

Equal Opportunity Employer

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

Caution Statement

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

Acknowledgements

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

For and on behalf of the Board of Ambuja Cements Limited

Mumbai
February 18, 2021

N. S. Sekhsaria
Chairman & Principal Founder

Annexure I to the Directors' Report

Dividend Distribution Policy

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

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

Dividend would continue to be declared on per share basis on the Equity Shares of the Company having face value ₹2/- each. The Company currently has issued only equity shares. Dividend other than interim dividend shall be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board of Directors has the authority to declare interim dividend.

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

Internal Factors

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

External Factors:

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

The Company may recommend additional special dividend in special circumstances.

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

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

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

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

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

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

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

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

Annexure II to the Directors' Report

Annual Report on Corporate Social Responsibility

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

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

6. Expenditure Statement for the year 2020 (January 1, 2020 to December 31, 2020) as per Schedule VII of the Companies Act, 2013

(₹ in crores)

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

(₹ in crores)

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

On behalf of the CSR & Sustainability Committee

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

Date: February 17, 2021

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

Chief Financial Officer

Annexure III to the Directors' Report

Form No. AOC-2

January to December – 2020

Particulars of contracts/arrangements made with related parties

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended December 31, 2020, which are not at arm's length basis.

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

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

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

Notes:

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

Annexure IV to the Directors' Report

Abstract of the Policy for selection and appointment of Directors

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

1. Criteria of selection of Non-Executive Directors

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

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

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

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

Annexure V to the Directors' Report

Secretarial Audit Report

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

For the year ended December 31, 2020

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering calendar year ("year") ended on December 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ambuja Cements Limited** ("the Company") for the year ended on December 31, 2020, according to the applicable provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under report:-
 - (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:
 - (i) Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988

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

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, except for the meeting convened for urgent matters, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda

items before the meeting and for meaningful participation at the meeting.

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

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

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

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

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner

MEM. NO. FCS 5171
COP No. 3030

UDIN: F005171B003088636

Date: 19th February, 2021

Place: Mumbai

Annexure VI to the Directors' Report

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

A) Conservation of Energy

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

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

34. Replacement of all the three old worn out Master roller tyres with Sinter Cast tyres at Nalagarh.
 35. Installation of Active Filter to increase power factor from 0.98 to 1.00 at Nalagarh.
 36. Conversion of HPSV lamp to LED at plant and Roads at Nalagarh.
 37. Installation of stud roller in Cement mill-1 Roller press to improve productivity and SEEC.at Rabriyawas.
 38. AFR feed pipe diameter enlargement modification to enhance AFR percentage at Rabriyawas.
 39. Installation of VFD in Coal Mill fan at Rabriyawas.
 40. Gaj-2 Main firing volume reduction in order to reduce STEC, SEEC and NOx emission at Ambujanagar.
 41. Replaced fly ash unloading screw conveyor to air slide at Ambujanagar.
 42. Grinding Media Optimisation in Ball Mill thereby reducing 0.4 kWh/MT on an annual basis compared to 2019 at Surat.
 43. Replacement of conventional lights with LED Lights at Ambujanagar.
- (2) Steps taken by the Company for utilising alternate sources of energy:**
1. Usage of Alternate fuels in Kiln across all Plants for partial replacement of Fossil fuels
 2. Usage of Alternate fuel in CPP across all Plants for partial replacement of Fossil fuels
 3. Operation of CPP with Biomass fuel at Ropar.
 4. AFR discharge chute modification to enhance TSR% at Bhatapara.
 5. Continuous operation of Solar Power Plant at Rabriyawas and Dadri.
 6. Continuous operation of WHRS at Rabariyawas.
 7. Use of Wind Power at Surat.
 8. Solar Plant under installation for partial replacement of Power with Solar at Bhatapara and Panvel.
- (3) The capital investment on energy conservation equipment**
1. Replacement of screw compressor with energy efficient reciprocating compressors.
 2. Installation of VFD in Primary air fan in boiler -1.
 3. Installation of MV VVFD for 02 nos Boiler Feed Pump Installation of VFD at various locations.
4. Bhatapara Line-2 cooler upgradation with IKN for energy efficiency.
 5. Installation of VFDs in various applications across plants.
 6. Installation of HLC in various core equipments.
 7. TIS implementation at all locations for better monitoring and tracking of energy and productivity indicators.

B) Technology Absorption

(1) Efforts made towards Technology Absorption:

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

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

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

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

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

(4) Expenditure on R&D:

(₹ in crores)

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

(5) Foreign Exchange Earnings and Outgo

(₹ in crores)

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

Annexure VII to the Directors' Report

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

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

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

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

Annexure VIII to the Directors' Report

Form AOC-1

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

A) Subsidiary Company

₹ in crores

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

B) Joint Venture company

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

Notes:

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

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhouri
Managing Director & Chief Executive Officer
DIN - 07419090

Mumbai, February 18, 2021

Report on Corporate Governance

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the Financial Year 2020 is given herein 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 utilised in a manner that contributes to the "Triple Bottom Line". The relentless efforts made on these fronts have resulted in the Company becoming 8 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, Procurement and HR are its other members. This committee is a brain storming committee, which meets at regular intervals, 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 organisation 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.

Section 149(1) of the Companies Act, 2013, requires certain companies to have at least one woman Independent Director. ACL has one Non-Executive, Independent woman Director and one Non-Executive, Non-Independent woman Director as part of its Board

As at the end of corporate financial year 2020, 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.

Section 149(4) of the Companies Act, 2013, requires companies to have at least one-third of the total number of Directors as 'Independent Director', and the Company currently complies with this requirement with 33% Independent Directors on the Board.

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. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations, 2015. 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 Board consists of 5 Independent Directors i.e. Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti, Dr. Omkar Goswami and Ms. Shikha Sharma (Women Independent Director).

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 erstwhile Holcim Ltd. 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 such as Cummins India, Indian Hotels Company Ltd., Tata Motor Finance, 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 Limited 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 structuring and advisory firm and of M/s M. P. Chitale & Co., one of the leading accounting and consulting 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 Financial Sector Legislative Reforms Commission (FSLRC) Working Group on Insurance, Pensions, Small Savings-Government of India, the Investor Education and Protection Fund Committee, Government 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, Asset Reconstruction Company (India) Limited, SBI Capital Markets Limited. He is on the Board of several large corporates.

He is a go to Advisor to international and Indian institutions for advice on Business structuring, tax and legal advice on foreign investments, mergers and acquisitions, private equity fund formation and investments, financial market laws, and financial services regulations.

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

Evolving from a background in Audit, Tax and Consulting, he now seeks to create enduring value for Companies and organisations he is involved with, by being a deeply engaged Independent Director. His strong belief is that good Governance creates a sustainable competitive advantage. He is a strong supporter of a clean and green environment and is pioneering the concept of 'innovating to zero' in the social context. He serves on the Boards of several 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. During 1981-83, he taught Management Accounting at IIM Ahmedabad. His passion for teaching, writing and public speaking have taken him to many management institutions and several industry and professional forums. He has led BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two 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 Masters 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 organisations 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 acting as board member for the LafargeHolcim Group in Bangladesh and India. Prior to this, he served as 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. 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 from the University of Economics in Vienna.

Mr. Kriegner joined the LafargeHolcim Group in 1990 and became the CEO of Perlmoozer 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.

**(x) 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, organisational 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.

(xi) 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.

(xii) 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 Ltd. and then Vice Chairman and Managing Director of Novartis India Ltd. from 2002 to 2018.

He is President Emeritus of The Organisation of Pharmaceuticals Producers of India (OPPI) and is on Advisory Council of The Harvard School of Public Health. He was the past President of the Swiss Indian Chamber of Commerce.

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

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

Mr. P. K. Molri is a 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.

(xiv) Mr. Ramanathan Muthu (DIN: 01607274) (Non-Executive, Non-Independent Director)

Mr. Ramanathan Muthu holds an undergraduate degree in Industrial Economics from University of Warwick, United Kingdom and is a certified chartered accountant.

Mr. Muthu is Global Head of Strategy for LafargeHolcim since March 2019. He is also leading the LafargeHolcim Group's Investment Committee.

Mr. Muthu joined the erstwhile Holcim Ltd in 2005 in the Finance and Controlling function in Zurich, before moving to work in Region Asia Pacific supporting the region in various strategic projects and growth investments. He took on the role of Project Manager for an Energy initiative and Manufacturing transformation across India and South East Asia. He also served as the Executive Assistant to EXCO Member in charge of Asia Pacific working on strategic initiatives across the region before moving back to the Group where he took over the role of Head of Group CEO Office.

Mr. Muthu joined the Board in December, 2020.

(xv) Mr. Neeraj Akhoury (DIN: 07419090) (Executive, Non-Independent, Managing Director and CEO) (w.e.f. February 21, 2020)

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

Mr. Akhoury brings with him 25+ years of rich experience in the steel and cement industries. He has worked in leadership roles in India and other emerging markets.

He began his career with Tata Steel in 1993 and joined the LafargeHolcim Group in 1999. He was a member of the Executive Committee of Lafarge India, heading corporate affairs followed by sales. In 2011, he moved to Nigeria as CEO & Managing Director of Lafarge AshakaCem PLC. Thereafter, he was appointed as Strategy & Business Development Director for the Middle East & Africa at the a erstwhile Lafarge headquarters in Paris. He was also the CEO of Lafarge Surma Cement Limited and country representative of LH, Bangladesh. Mr. Akhoury was the MD & CEO of ACC Ltd. subsidiary of the Company till February 20, 2020. He continues as the Non-Executive director of ACC Ltd.

Mr. Akhoury joined the Board in February, 2020. 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 finalised 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 December 31, 2020, the Board of Directors had 11 meetings. These were held on February 20, 2020, April 10, 2020, April 27, 2020, May 12, 2020, July 24, 2020, August 18, 2020, August 27, 2020, September 15, 2020, October 22, 2020, November 5, 2020 and December 23, 2020.

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 December 31, 2020 are given below:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended (Financial Year 2020)	Attendance at last AGM held on July 10, 2020	No. of Directorships 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	10	No	2	Nil	Nil	Non-Executive, Non-Independent: 1. ACC Ltd. 2. Everest Industries Ltd.
2.	Mr. Jan Jenisch, Vice Chairman	Non-Executive, Non-Independent	6	Yes	1	Nil	Nil	Non-Executive, Non-Independent: 1. ACC Limited
3.	Mr. Nasser Munjee	Independent	10	Yes	4	2	2	Non-Executive, Independent Director in: 1. Cummins India Ltd. 2. HDFC Ltd. 3. The Indian Hotels Company Ltd. Non-Executive, Non-Independent in 1. DCB Bank Ltd.
4.	Mr. Rajendra Chitale	Independent	11	Yes	1	3	3	Non-Executive, Independent Director in: 1. Everest Industries Ltd.
5.	Mr. Shailesh Haribhakti	Independent	11	Yes	6	5	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	10	Yes	3	1	4	Non-Executive, Independent Director in: 1. Godrej Consumer Products Ltd. 2. Bajaj Auto Ltd. 3. Bajaj Finance Ltd.
7.	Ms. Shikha Sharma	Independent	9	Yes	4	Nil	4	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	11	Yes	Nil	Nil	Nil	Nil
9.	Mr. Martin Kriegner	Non-Executive, Non-Independent	11	Yes	1	Nil	2	Non-Executive, Non-Independent Director: 1. ACC Ltd.
10.	Ms. Then Hwee Tan	Non-Executive, Non-Independent	11	Yes	Nil	Nil	Nil	Nil
11.	Mr. Mahendra Kumar Sharma	Non-Executive, Non-Independent	11	Yes	4	3	2	Non-Executive, Independent Director in: 1. Wipro Ltd. 2. Asian Paints Ltd. 3. United Spirits Ltd. 4. Vedanta Ltd.

Sr. No.	Name of the Director	Category	No. of Board Meetings attended (Financial Year 2020)	Attendance at last AGM held on July 10, 2020	No. of Directorships held in Indian Public Listed Companies ¹	Committee Positions in India ²		Directorship in other Listed Entity & Category
						Chairman	Member	
12.	Mr. Ranjit Shahani	Non-Executive, Non-Independent	11	Yes	2	1	Nil	Non-Executive, Independent Director in: 1. Hikal Ltd. 2. J. B. Chemicals & Pharmaceuticals Ltd.
13.	Mr. Praveen Kumar Molri	Non-Executive, Non-Independent	10	Yes	1	Nil	Nil	Non-Executive, Nominee Director in: 1. Excel Industries Ltd.
14.	Mr. Roland Kohler	Non-Executive, Non-Independent (up to December 10, 2020)	9	Yes	Nil	Nil	Nil	Nil
15.	Mr. Ramanathan Muthu	Non-Executive, Non-Independent (w.e.f. December 23, 2020)	1 of 1	Not Applicable	Nil	Nil	Nil	Nil
16.	Mr. Neeraj Akhouri	Managing Director and CEO w.e.f. February 21, 2020	10 of 10	Yes	1	Nil	1	Non-Executive, Non-Independent Director in: 1. ACC Ltd.
17.	Mr. Bimlendra Jha	Managing Director and CEO up to February 20, 2020	1 of 1	Not Applicable	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.

(ii) Separate Meeting of Independent Directors:

The Independent Directors met amongst themselves without the presence of the Company executives on 22nd December, 2020. 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 The Institute of Company Secretaries of India (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 and the Company Secretary attend all the Board Meetings. Other senior management executives are invited as and whenever necessary. The Managing Director, the CFO and other senior executives make presentations on quarterly and annual operating financial performance, annual operating & capex budget, 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 & regulations applicable to the Company. Important managerial decisions, material 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 and 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 Familiarisation Program for Directors:

Induction and training of the newly appointed Director and ongoing familiarisation 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 & 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 familiarisation 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 & regulatory responsibilities as a Director. The program also includes visit to the plant to familiarise them with all facets of cement manufacturing. On the matters of specialised 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.

A Special Board Meeting of the Directors were held on April 10, 2020 to discuss the impact of the outbreak of COVID-19 and the action plan for the future.

Directors' Forum:

A interactive session was held in May 2020, where in Bain & Co., gave the Perspectives and Imperatives on COVID-19 Pandemic and its impact on economy.

The details of familiarisation 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 along with the names of the Directors, who have such skill/expertise/competence, are given below:-

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 utilisation, 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.

Sr. No.	Name of the Director	Skills
1.	Mr. N. S. Sekhsaria, Chairman	Business & Industry, Financial Expertise, Governance & Compliance
2.	Mr. Jan Jenisch, Vice Chairman	Business & Industry, Financial Expertise
3.	Mr. Nasser Munjee	Financial Expertise, Governance & Compliance
4.	Mr. Rajendra Chitale	Financial Expertise, Governance & Compliance
5.	Mr. Shailesh Haribhakti	Financial Expertise, Governance & Compliance
6.	Dr. Omkar Goswami	Financial Expertise, Governance & Compliance
7.	Ms. Shikha Sharma	Financial Expertise, Governance & Compliance
8.	Mr. Christof Hassig	Business & Industry, Financial Expertise
9.	Mr. Martin Kriegner	Business & Industry, Financial Expertise, Governance & Compliance
10.	Ms. Then Hwee Tan	Business & Industry, Governance & Compliance
11.	Mr. Mahendra Kumar Sharma	Business & Industry, Financial Expertise, Governance & Compliance
12.	Mr. Ranjit Shahani	Business & Industry, Governance & Compliance
13.	Mr. Praveen Kumar Molri	Financial Expertise
14.	Mr. Ramanathan Muthu	Business & Industry, Financial Expertise
15.	Mr. Neeraj Akhoury	Business & Industry, Financial Expertise, Governance & Compliance

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 2020. The composition of the Audit Committee as at December 31, 2020 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	4
3.	Ms. Shikha Sharma	Independent	5
4.	Mr. Martin Kriegner	Non-Independent	5

Mr. Rajendra Chitale, Chairman of the Audit Committee was present at the last Annual General Meeting for answering the shareholder's 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 one 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 Auditor.

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 December 31, 2020, the Company and its subsidiary, ACC Ltd. and OneIndia BSC Private Ltd. have paid a consolidated sum of ₹5.50 crores to the Statutory Auditors and all its entities.

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 3 meetings. The composition of the Compliance Committee as at December 31, 2020 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
2.	Mr. Shailesh Haribhakti	Independent	3
3.	Dr. Omkar Goswami	Independent	3
4.	Ms. Then Hwee Tan	Non-Independent	3
5.	Mr. Neeraj Akhoury*	Managing Director and CEO	2 of 2
6.	Mr. Bimlendra Jha*	Managing Director and CEO	1 of 1

*Mr. Bimlendra Jha ceased to be a Member of the Committee on February 20, 2020. Mr. Neeraj Akhoury was inducted as a Member of the Committee w.e.f. February 21, 2020.

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 5 meetings during the year. The composition of the Committee as on December 31, 2020 and the attendance of the members are as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Nasser Munjee (Chairman)	Independent	5
2.	Mr. N.S. Sekhsaria	Non-Independent	4
3.	Mr. Shailesh Haribhakti	Independent	5
4.	Mr. Martin Kriegner	Non-Independent	5

B. Invitees/Participants:

Mr. Neeraj Akhoury, 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) up to 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, Audit Committee and the Special Committee meeting 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 lakhs to each of the Non-Executive Directors who were in office for the whole of the financial year 2020 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 lakhs 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 2020 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 lakhs per Director.

The Commission to Directors is generally revised once in three years. However, for this Financial Year 2020 inspite of the better than previous year performance by the Company, the Directors decided to continue with the same commission keeping in view the current pandemic situation.

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 lakhs and ₹45 lakhs 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 December 31, 2020 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	6.20	50.00	1,000
2.	Mr. Jan Jenisch	Nil	3.00	20.00	Nil
3.	Mr. Nasser Munjee	Nil	11.30	36.00	Nil
4.	Mr. Rajendra Chitale	Nil	12.00	45.00	4,945
5.	Mr. Shailesh Haribhakti	Nil	11.00	36.00	Nil
6.	Dr. Omkar Goswami	Nil	8.10	36.00	Nil
7.	Ms. Shikha Sharma	Nil	8.30	36.00	Nil
8.	Mr. Christof Hassig	Nil	5.50	20.00	Nil
9.	Mr. Martin Kriegner ²	Nil	Nil	Nil	Nil
10.	Ms. Then Hwee Tan	Nil	6.40	36.00	Nil
11.	Mr. M. K. Sharma	Nil	5.50	20.00	Nil
12.	Mr. Ranjit Shahani	Nil	6.40	20.00	Nil
13.	Mr. Praveen Kumar Molri	Nil	5.00	20.00	Nil
14.	Mr. Roland Kohler (up to December 10, 2020)	Nil	5.10	18.85	Nil
15.	Mr. Ramanathan Muthu (w.e.f. December 23, 2020)	Nil	0.50	N.A.	Nil
16.	Mr. Neeraj Akhoury ³ MD & CEO (w.e.f. February 21, 2020)	616.53	Nil	Nil	Nil
17.	Mr. Bimlendra Jha ⁴ MD & CEO (up to February 20, 2020)	1,141.56	NIL	Nil	Nil
TOTAL		1,758.09	94.30	393.85	

Notes:

- The Company has not issued any stock options to the Independent Directors.
- Mr. Martin Kriegner has waived his right to receive any sitting fees and/or commission effective October, 2018.
- Appointment of Mr. Neeraj Akhoury 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, ESOPs, national pension scheme etc. and perquisites (including monetary value of taxable perquisites) etc.
- The remuneration of Mr. Bimlendra Jha includes leave encashment, Performance incentive, ex gratia and notice pay etc.

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 3 meetings during the year. The Composition of the Committee as at December 31, 2020 and the details of the Members participation at the meeting of the Committee are as under:-

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

*Mr. Neeraj Akhoury was inducted as a Member of the Committee w.e.f. February 21, 2020. Mr. Bimlendra Jha ceased to be a Member of the Committee on February 20, 2020.

Mr. Ranjit Shahani, Chairman of the Committee was present at the last Annual General meeting for answering the shareholders queries.

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	6	6	Nil
Letters from SEBI Stock Exchanges, Ministry of Corporate Affairs etc.	Nil	14	14	Nil
Demat Queries	Nil	Nil	Nil	Nil
Miscellaneous Complaints	Nil	1	1	Nil
TOTAL	Nil	21	21	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 5274 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 the year under review, three meeting of the Committee were held during the year under review. The details of the composition and the attendance at meeting as on December 31, 2020 is as under:-

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

*Mr. Neeraj Akhoury was inducted as a Member of the Committee w.e.f. February 21, 2020. Mr. Bimlendra Jha ceased to be a Member of the Committee on February 20, 2020.

B. Terms of Reference:

The Terms of Reference of the Committee are to:-

- frame the CSR Policy and its review from time-to-time.
- ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- ensure compliance with the laws, rules and regulations governing the CSR and to periodically report to the Board of Directors.
- review and monitor Sustainability initiatives and its performance and such other related aspects.

3.6 Risk Management Committee- Mandatory Committee

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 December 31, 2020, this Committee had Two meetings which were attended by the members as under:-

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

*Mr. Neeraj Akhoury was inducted as a Member of the Committee w.e.f. February 21, 2020. Mr. Bimlendra Jha ceased to be a Member of the Committee on February 20, 2020.

B. Terms of Reference:

The Committee is required to lay down the procedures to review the risk assessment and minimisation 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:-

- review the framework of Business Risk Management process;
- risk identification and assessment;
- review and monitoring of risk mitigation plans and its implementation.
- 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- Non-Mandatory Committee

The Management Committee is formed to authorise 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. Four committee meetings were held during the year 2020.

The committee comprises of Mr. Rajendra Chitale Chairman, Mr. Shailesh Haribhakti, and Mr. Neeraj Akhoury (w.e.f. February 21, 2020) as the Members. Mr. Bimlendra Jha ceased to be a member of the Committee w.e.f. February 20, 2020.

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 2020. 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 institutionalise 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 victimisation 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 an Ethical View Reporting Committee (EVC) of very senior executives comprising of:

- (i) Mr. Kanaiya Thakker (Jt. President Legal) Chairman
- (ii) Mr. Sanjay Kumar Khajanchi (Jt. President- Finance) Member
- (iii) Mr. Prabhakar Mukhopadhyay (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 2020, a total of 37 complaints have been filed. Of these, based on the pre-assessment of the EVC, 19 complaints did not warrant further investigation. 17 complaints were investigated and concluded whereas 1 complaint is still under investigation. The cases investigated were mainly of the nature of alleged bribery kickbacks, theft, violation of Code of Conduct, vendor favouritism, conflict of interest, 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 material damages 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
2019 37th AGM	Video conferencing (VC)/Other Audio Visual Means(OAVM)	Friday, July 10, 2020 at 10.30 a.m.	No special resolutions were passed.
2018 36th AGM	At the Registered Office at Ambujanagar, Kodinar, Dist. Gir Somnath, Gujarat	Friday, March 29, 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, June 15, 2018 at 10.30 a.m.	No special resolutions were passed.

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 2020 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 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 38th Annual General Meeting:

Day and Date : Friday, April 9, 2021
Time : 12.00 noon
Venue : Video conferencing (VC)/Other Audio Visual Means(OAVM)

10.2 Financial Calendar:

The Company follows the period of January 1, to December 31, as the Financial Year. For the FY21, financial results will be announced as per the following tentative schedule:-

First quarterly results	: April, 2021
Second quarterly Half yearly results	: July, 2021
Third quarterly results	: October, 2021
Annual results for the year ending on December 31, 2021	: February, 2022
Annual General Meeting for the year ending on December 31, 2021	: April, 2022

10.3 Record Date:

The Company has fixed Monday, March 22, 2021 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 April 23, 2021 onwards.

10.5 Dividend Policy:

The 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. The Board has recommended an interim dividend of ₹17/- per equity share, which was subject to deduction of TDS. The Board has declared a final dividend of ₹1/- per share (i.e. 50%).

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)
2015	80	60	140	434.53
2016	80	60	140	486.58
2017	80	100	180	714.83
2018	Nil	75	75	297.85
2019	75	Nil	75	297.85

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 stock code/Symbol

(i) BSE Ltd. 500425

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

(ii) National Stock Exchange of India Ltd. AMBUJACEM

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

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

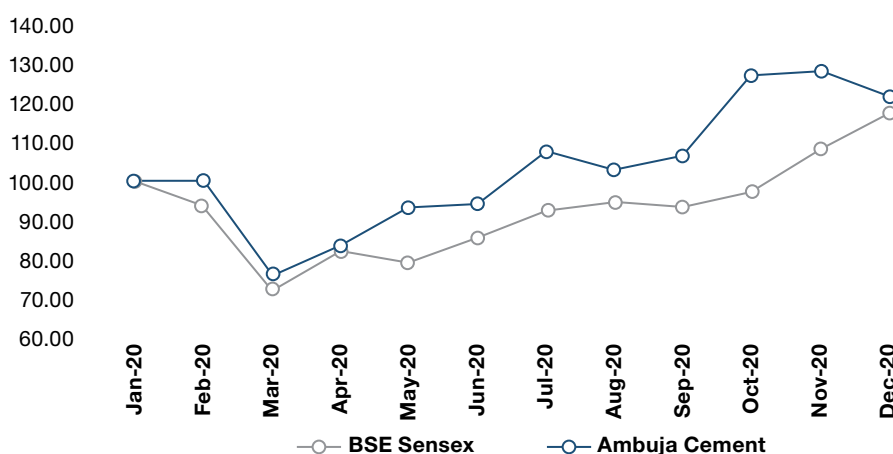
E. Corporate Identity Number (CIN):

L26942GJ1981PLC004717

10.8 Market Price Data:

The high low market price of the shares during the year 2020 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-20	220.15	195.65	220.25	195.65
February-20	216.00	193.70	216.05	194.00
March-20	216.35	136.65	216.55	136.55
April-20	180.00	148.05	179.50	148.20
May-20	194.85	161.55	194.90	161.50
June-20	199.00	181.75	198.95	181.65
July-20	225.40	185.80	225.50	185.70
August-20	231.85	208.70	231.85	208.55
September-20	222.90	197.50	223.00	197.45
October-20	265.75	218.00	265.80	217.55
November-20	271.95	247.10	272.00	246.65
December-20	269.25	225.90	269.55	225.95

10.9 Performance in comparison to broad based indices**Ambuja Cement v/s BSE Sensex**

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.

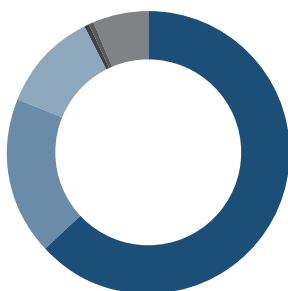
10.12 Distribution of Shareholding:

The shareholding distribution of the equity shares as on December 31, 2020 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
Less than 50	132404	2790492	0.14
51 to 100	38353	3363269	0.17
101 to 500	39321	9915906	0.50
501 to 1000	8687	6887280	0.35
1001 to 5000	13026	33577733	1.69
5001 to 10000	2412	17398593	0.88
10001 to 50000	1537	30030261	1.51
50001 to 100000	166	11818842	0.60
100001 to 500000	248	57332541	2.89
500001 and above	181	1812530312	91.28
TOTAL	236335	1985645229	100.00

10.13 Shareholding Pattern:

The shareholding of different categories of the shareholders as on December 31, 2020 is given below:-



Category	No. of Shares	(%)
● Foreign Promoters	1253156361	63.11
● Foreign Investors (FIIS)	357935078	18.02
● Mutual Funds, Banks & Financial Institution	228534612	11.50
● OCB's NRI's	10942614	0.55
● Body Corporates	8145521	0.41
● GDR Holders	5142813	0.25
● Others	121788230	6.13
Total	1985645229	100.00

10.14 Dematerialisation of Shares:

About 99.40% of total equity share capital is held in dematerialised form with NSDL and CDSL as on December 31, 2020.

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, 51,42,813 GDRs are outstanding as on December 31, 2020 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

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	Bulk Cement Terminals
(i) Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat.	(i) Muldwarka, District Gir Somnath, Gujarat.
(ii) Darlaghat, District Solan, Himachal Pradesh.	(ii) Panvel, District Raigad, Maharashtra.
(iii) Maratha Cement Works, Dist. Chandrapur, Maharashtra.	(iii) Cochin, Kerala.
(iv) Rabriyawas, District Pali, Rajasthan.	(iv) Mangalore, Karnataka.
(v) Bhatapara, District Raipur, Chhattisgarh.	(v) Magdalla, District Surat, Gujarat.

Grinding Stations

- (i) Bathinda, Punjab.
- (ii) Dadri, District Gautam Budh Nagar, Uttar Pradesh.
- (iii) Farakka, District Murshidabad, West Bengal.
- (iv) Nalagarh, District Solan, Himachal Pradesh.
- (v) Ropar, District Punjab.
- (vi) Roorkee, District Haridwar, Uttaranchal.
- (vii) Sankrail, District 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 December 31, 2012 and the interim dividend for the year December 31, 2013 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 34,82,439 equity shares of the face value of ₹2/- each belonging to 31,426 shareholders underlying the unclaimed dividends.. The market value of the shares transferred is ₹87.06 crores considering the share price as on December 31, 2020.

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 2013, which is due for transfer to IEPF Account during April, 2021. 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 according 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 2020	1728	10,17,879
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during 2020	5	5472
Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF)	242	22911
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2020	1481	9,89,496

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-remuneration-of-directors.pdf
Familiarisation Programme for Independent Directors	https://www.ambujacement.com/Upload/PDF/Familiarisation-Programme-for-Independent-Directors-Jan2021.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-materiality-of-RPT-221020.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-June-2020.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

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company during the year 2020.

Mumbai, February 18, 2021

Neeraj Akhoury
Managing Director & CEO

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 - 362 715
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 - 362 715, 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 December 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such 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.	Muthu Ramanathan	01607274	23/12/2020
11.	Christof Werner Hassig	01680305	09/12/2015
12.	Neeraj Akhoury	07419090	21/02/2020
13.	Praveen Kumar Molri	07810173	01/04/2019
14.	Jan Philipp Jenisch	07957196	24/10/2017
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
UIN: S1990MH007900

UDIN: F002777B002530456

Place: Mumbai
Date: February 4, 2021

AUDITORS' CERTIFICATE

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 April 21, 2020.
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 December 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note

on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
UDIN No.: 21040081AAAAAZ6808

Mumbai, 18th February, 2021

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
Ambuja Cements Ltd.

We have reviewed the attached financial statements and the cash flow statement of Ambuja Cements Ltd. for the year ended December 31, 2020 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Neeraj Akhoury
Managing Director & Chief Executive Officer

Rajani Kesari
Chief Financial Officer

Place: Mumbai
Date: February 18, 2021

Business Responsibility Report for the year 2020

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

- Corporate Identity Number (CIN) of the Company: L26942GJ1981PLC004717
- Name of the Company: AMBUJA CEMENTS LIMITED
- Registered address: P. O. Ambujanagar, Taluka Kodinar, District Gir - Somnath, Gujarat - 362 715
- Website: www.ambujacement.com
- E-mail id: shares@ambujacement.com
- Financial Year reported: 01.01.2020 to 31.12.2020

- 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 crores)

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, Awareness and initiatives on COVID-19 relief and Sanitation.	16.01
2.	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Quality Education, Ambuja Manovikas Kendra, Ambuja Vidya Niketan, Skill And Entrepreneurship Development Institute (SEDI), Non-Formal Education, Village Knowledge Centre.	15.95
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 and Entrepreneurship, Female Feticide, Self Help Group, Federation.	1.96

- 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

- 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.

- Total number of locations where business activity is undertaken by the Company

- Number of International Locations (Provide details of major 5): NIL
- Number of National Locations: 13

- Markets served by the Company –

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Equity Share Capital ₹397.13 crores
- Total Turnover ₹11,174.97 crores
- Total profit after taxes ₹1,790.10 crores
- Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%): 3.49%

The Company carries on its CSR activities primarily through its arms Ambuja Cement Foundation and Ambuja Vidya Niketan Trust.

The Company has spent ₹53.97 crores during the Financial Year 2020 on CSR activities. This amounts to 3.49% of the Average Net Profit of the preceding three Financial Year.

(Amount ₹ in crores)

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
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.	6.23
5.	Rural development projects.	Rural Infrastructure Project	9.38
6.	Disaster management, including relief, rehabilitation and reconstruction activities.	Donation towards Ventilators and food distribution to migrants during COVID pandemic	2.78
		Total	52.31
	Overheads	Overheads	1.66
			53.97

SECTION C: OTHER DETAILS

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

Yes, the Company has 6 Subsidiary Companies as on December 31, 2020.

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 December 31, 2020, 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: 07419090
- Name: Mr. Neeraj Akhoury
- Designation: Managing Director & Chief Executive Officer

b) Details of BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	07419090
2.	Name	Mr. Neeraj Akhoury
3.	Designation	Managing Director & Chief Executive Officer
4.	Telephone Number	022-40667000
5.	E-mail id	neeraj.akhoury@lafargeholcim.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	-	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	-	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-June-2020.pdf	https://www.ambujacement.com/Upload/PDF/2020-Sustainability-Policy.pdf	https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf	https://www.ambuja-cement.com/Sustainability/Stakeholder-engagement	https://www.ambuja-cement.com/Sustainability/Stakeholder-engagement	https://www.ambujacement.com/Upload/PDF/2020-Sustainability-Policy.pdf https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf	-	https://www.ambujacement.com/Upload/PDF/2020-Sustainability-Policy.pdf	https://www.ambuja-cement.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	Y	Y	Y	N	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances	Y	Y	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	Y	Y	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 A+ 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.

For the Financial Year 2020, the Company is publishing the integrated annual report and hence, no separate Sustainability Report shall be published. The Integrated Annual Report can be accessed from website of the Company through the link <https://www.ambujacement.com/investors/annual-reports>

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

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

- 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?**

Yes, a wide variety of stakeholders are covered under our policies. To eliminate the risks of fraud, corruption and unethical business practices, across our business value chain, the Company has laid down a comprehensive Ethical View Reporting Policy, akin to a vigilance mechanism or the Whistleblower Policy. In addition, to conduct business in an honest, transparent, and ethical manner, the Board has laid down an Anti-Bribery and Corruption Directive (ABCD) as part of its Code of Conduct and Business Ethics.

The policies relating to ethics, bribery and corruption as well as the Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company and the CSR arm Ambuja Cement Foundation. 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.

- 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 2020, a total of 37 complaints have been filed. Of these, based on the pre-assessment of the Ethical View Committee, 19 complaints did not warrant further investigation. 17 complaints were investigated and concluded whereas 1 complaint is still under investigation. The cases investigated were mainly of the nature of alleged bribery/kickbacks, theft, violation of Code of Conduct etc. The financial impact of these cases was insignificant and caused no damage to the Company. 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.

- 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 Pozzolana and Composite 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 2020, Clinker Factor was 64.55% with fly ash utilisation of 31.60% 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. During 2020, we co-processed a total 2.8 lakh tonnes alternative fuels (other industrial waste, plastic waste, biomass, etc.). Responsible product design and development, sustainable fuel mix, innovative product development and resource efficiency (by efficient waste management) have continued to support us in promoting sustainable construction.

As part of our extended product responsibility (EPR), we had completed a detailed Life Cycle Analysis (LCA) and developed Environment Product Declaration (EPD) for our low carbon Portland Pozzolana Cement (PPC) and Compozem products for all our units in 2018 which were verified by an independent third party and registered on the global B2B platform 'Environdec' for consumer and stakeholder communication of the environmental performance of our products. Earlier, Ambuja Cement became the first Indian company in 2014 to get Sustainable Product Labelling, "ProSustain" on PPC cement bags 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. We print sustainable product labelling like ProSustain for which our Darlaghat plant is already certified. We plan to display the voluntary product sustainability logo "EcoLabel" on some of our product category from our plants if BIS permits. Ecolabel will be based on some minimum reduced CO2 emissions or recycled content criteria which products qualify for the certification provided by our group company LafargeHolcim. We 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.

These efforts enable us to identify and reduce the environmental impact of our product, process, and technology. They also aid in addressing the Health and safety aspects related to the use of construction products. However, it is difficult to obtain use-oriented figures since cement is a commodity.

As part of our sustainable portfolio, about 90% of the total revenue in 2020 was from products and solutions that can be used for recognised credits in sustainable building design and construction certificates that have been externally developed (e.g. LEED, Green Star, among others).

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 (January to December 2020)	Previous Year (January to December 2019)
Electricity (KWH/T of Cement)	100	77.05	77.27
LDO (Ltr/T of Clinker)	N.A.	0.136	0.141
Coal and other Fuels (K.Cal/Kg of Clinker)	800	769	769

ii) 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.

However, from our sustainable solutions provided to our end user at construction site, we have been able to save 68.6 million litres of water through Modular Curing System (MCS), Instant Mix Proportion Solutions (IMPS), and Rain Water Harvesting Systems (RWHS); and avoid 3540 tonnes of CO₂ emissions by promoting use of Ambuja Cool Wall Blocks.

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.

Our Green Procurement policy includes a code of practice that encourages fair, open, and transparent competition. As part of our Sustainable Procurement Initiative (SPI), we assess our suppliers applying a sustainability risk rating defined in our SPI manual.

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. We map our suppliers with high, medium, or low risk, as per our SPI guidelines. Our 'Sustainable Development Ambitions 2030' aims to have 100% of high-risk suppliers assessed with a consequence management plan by 2030.

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.

We are committed to integrate sustainability in the value chain of our business. We promote sustainable logistical mode for transportation of raw materials and cement. The Company owns a fleet of five jetties and 10 self-unloading cement carriers, tailor-made to the Company's needs, operating out of our five Bulk Cement Terminals (BCTs) located at Surat, Mumbai, Mangalore, Kochi, and Muldwarka; for transportation of cement by sea route as a sustainable source of transportation of cement. During 2020, about 12% of total cement dispatch was done through sea. We have also developed our logistics KPIs such as direct dispatches, yard firing ratio, reduced lead distance and improved home market sales. Our major KPI "Lead Distance" increased from 276 Kms in 2019 to 278 Kms in 2020 on account of strategic decisions taken by ACL, with a focus to cater the market demand and fulfil the contract orders during and after the pandemic months. However, our target is to maintain the "Lead Distance" to 276 Kms by 2021. We also target to increase our Road Direct Dispatch to 65% by 2021. Our constant efforts to optimise our logistics Total Distribution Cost (TDC) resulted in reduction by 3.4% in 2020.

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?

As per our company policies, all suppliers based in India are called as local suppliers, considering that our plants and market are spread across the country. However, 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. Aiding ACL's objective of being the most sustainable company in the industry, local farmer producer companies facilitated by our Ambuja Cement Foundation (ACF) have partnered with ACL for procurement of biomass (Agri waste residue). During the recent pandemic many of our manufacturing plants sourced face masks from local SHGs trained by ACF.

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.

Waste derived raw material resources like fly ash and slag for blending to make Portland Pozzolana Cement (PPC) and composite cement and chemical/phosphor gypsum have seen sustainable and steady increment in our manufacturing process.

All of the fly ash and bottom ash generated as waste from our captive power plants is used in our cement production. The entire fly ash generated is utilised to produce Portland Pozzolana Cement (PPC). Our sustainability initiative of increasing the use of AFR, biomass, fly ash and slag, and reducing that of limestone has further helped us produce about 90% Portland Pozzolana Cement (PPC) and Composite Cement out of our overall production. We utilised about 8.2 million tonnes of waste derived resources in our manufacturing process that accounted for about 32% of the total raw materials. Waste water generated from our plant and colony is recycled and reused in dust suppression, gardening, horticulture, etc. During 2020, about 15% of our total water withdrawal was recycled after appropriate treatment for further use.

PRINCIPLE 3

Businesses should promote the well being of all employees.

1. Please indicate the Total number of employees:

• Management Staff	:	3548
• Blue Collar Employees	:	1498
Total	:	5046

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

• Total Contractual employees:		
i. Shipping Sailing Staff	:	123
ii. Others (Marketing, TS, Scan centre)	:	598
iii. Third Party	:	5459
Total	:	6180

3. Please indicate the Number of permanent women employees:

• Permanent	:	119
• On Probation	:	6

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

• Disabilities	:	11
----------------	---	----

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 recognised 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	NIL
3.	Discriminatory employment	NIL	NIL

There are no complaints pending as on December 31, 2020.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety & skill up-gradation training provided to employees in 2020:

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

During 2020, we improvised on our learning & development strategy to accommodate the new normal out of the pandemic situation and ensure that not only our employees but also their families can benefit from training on mental health and emotional balance provided in addition to the technical and function specific trainings. A total of 702 training programmes were conducted under the training areas like H&S, Compliance, Technical functions and other support modules. The average training hour per employee came to about 11 hours. We also implement the Kirkpatrick Model to assess effectiveness of training programmes: (1) reaction of employees; (2) learning; (3) behavioural change; and (4) Results of the training (applied for few trainings). Level 1 and Level 2 behaviour were assessed through knowledge-based programmes, largely in the large webinar category. For level 3 assessment, action learning projects were conducted to assess whether employees can convert their learning into action. Level 3 evaluation was initiated for a host of programmes, including successor development programme, health and safety and technical trainings. The method helped us in measuring how a training has influenced behaviour and how this is applied on-the-job.

PRINCIPLE 4

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

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal as well as external stakeholders through a structured approach. Our mission is to create value for all our stakeholders. ACL has a structured framework to engage with different types of stakeholders and address their key concerns. Key stakeholders were identified in accordance with Global Reporting Initiative (GRI) guidelines and were systematically engaged as part of our stakeholder engagement program. ACL has always maintained a respecting and flourishing relationship with the stakeholders including local community; we have also identified key concerns of all identified stakeholders and have relentlessly worked to address them and review the points of concerns on a periodic basis.

Key stakeholders were identified and prioritised based on the following attributes:

- a) Stakeholders directly/indirectly impacted or influenced by the business activities
- b) Stakeholder inclusivity
- c) Business dependency and criticality of the stakeholder
- d) Peer companies' stakeholders

Following stakeholders have been identified for appropriate engagement: Shareholders & Investors, Dealers and Suppliers, Customers, Employees, Community & NGOs, Government & Regulatory Authorities, Media, Construction Professionals, and Industry Associations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised 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 marginalised 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. Our CSR arm, Ambuja Cement Foundation (ACF) is the link between the Company and the community. There are multiple forums created such as Site Specific Impact Assessment (SSIA), Community Advisory Panels (CAP), and Social Engagement Scorecard

(SES), in which effort is to include underprivileged and marginalised Section of communities. Some of these forums also address concerns of truckers and contract workers.

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?

Our Human Rights Policy is specified in our Code of Conduct and Business Ethics, which is applicable to all employees, vendors, suppliers and subsidiaries. As per this policy, we are committed to respect and uphold human rights in accordance with United Nations Universal Declaration of Human Rights and the International Labour Organisations (ILO) Core Conventions on Labour Standards. Our commitment to human rights is reinforced by our Group's participation in the UN Global Compact (UNGC), support of the Universal Declaration of Human Rights, the Company's Code of Conduct and Business Ethics and Code of Business Conduct for Suppliers, and our CSR Policy. These policies and directives enlist all our commitments towards protecting and promoting human rights in our operations and value chain.

Our Group has developed a Directive on Human Rights and Human Rights Management System (HRMS), a tool that identifies business risks with respect to human rights. The system examines our own behaviour as well as that of the stakeholders in our value chain, in particular the supply side and third-party service contractors. Any incidence of failure to comply with the rules or other concerns can be shared with our local human resources representative. HRMS is based on country-wise human rights risk assessment and classification and, is carried out using Freedom House (an international NGO) and UN human development indices. A set of issues specific to the country are taken into account, wherein India has been classified as high risk in the context of human rights. The tool helps in assessing the potential risk and opportunities of those issues across our operations and the value chain, by assessing their severity and likelihood of occurrence. Based on this assessment, the identified potential risks are rated and prioritised for devising risk management plans. The identified potential risks are periodically reviewed.

A proactive comprehensive risk assessment is undertaken across our operations through Site Specific Impact Assessments (SSIA), wherein each operational site is assessed at least once in three year cycle. The exercise provides an opportunity for the assessment team to engage with internal as well as external stakeholders of the plant to capture their perception around multiple human rights related issues. The aspects covered in the assessment include child labour, forced labour, freedom of association, no-discrimination, working conditions, minimum wages, health and safety, contract workers, community impact, security guards, land

management, bribery and corruption, armed actors, grievance mechanism and any other issue important to the specific site. The focus of the assessment enables us to identify 'risk hot spots' or areas where potential human rights issues can occur in our operations and value chain, as well as the target group of stakeholders i.e. groups most vulnerable to the identified risks. Further, it helps in setting priorities for risk management and devising appropriate action plans for risk remediation or mitigation, which are then periodically reviewed. The action plans are created, implemented, and monitored through a systematic approach, and performance is duly reviewed at the unit as well as at the corporate level by the Executive Committee. The assessment process helps the organisation to improve its performance every year with defined action points.

The Company has a Code of Business Conduct for Suppliers that covers various human rights aspects; all our suppliers are required to provide certain compliance evidences as a condition for eligibility. In addition, the suppliers are required to provide a self-declaration to comply with all the sustainability performance requirements under various policies of Ambuja. All procurement agreements of the Company include conditions pertaining to labour standards and occupational health and safety. Currently, significant investment agreements do not include human rights clauses.

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 2020. In addition, no instance of perceived or actual non-compliance with our Human Rights directive and applicable legal standards were reported by any stakeholder during 2020. Due to Covid-19 and lockdowns, we could not undertake SSIA at our sites, but, we will do site assessments during 2021, including review of processes of the human rights compliance of our joint ventures and subsidiaries which also provide us with a declaration of their compliance to ACL policies and regulations on human right protection.

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. Our Environmental Policy, Green Procurement policy, Climate Change Mitigation policy, CSR Policy and Sustainability Policy extend our efforts to monitor and protect environment in our value chain by including all our operations, suppliers, community, distributors and transporters so as to minimise our environmental impact. In addition, Ambuja follows various group directives issued by LafargeHolcim that also

extend performance and impact management in the best interest of all stakeholders in our business value chain.

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 formalised Sustainability Policy, Green Procurement Policy, and Climate Change Mitigation Policy that are also communicated on our website in public domain. The policies were last reviewed in 2020 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 a responsible 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). We also keep our stakeholders informed on our performance and mitigation strategies on carbon emissions (Scope 1, 2, and 3), water footprint, biodiversity protection, natural resource management, energy management, renewable energy portfolio, and Company targets/preparedness for climate change mitigation through our annual GRI based reports, Carbon Disclosure Project [CDP], and Dow Jones Sustainability Index (DJSI) disclosures. These performance indicators are also verified by an independent third party, to ensure the integrity of our public disclosures. 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. We adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and conducted a climate change related risk and opportunity assessment to understand the impact of the identified risks on the Company's EBITDA, same has been reported in our GRI, CDP and DJSI disclosures. The Company's website also contains information on its 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 from external factors beyond our control as part of our sustainability strategy as well as a compliance to international Environment Management System (ISO 14001) to which all our operations are certified. In addition to our annual organisational business and environmental risk assessment, a comprehensive and independent third party study was conducted in 2018 to identify the potential financial impacts of the climate change related risks. This study was based on the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and the type of risks assessed included impacts from natural phenomenon resulting from climate change and reputational or market based risks arising from the changes in regulatory, customer

perception, and financial market influencing the business environment. 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 across the business value chain.

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 in own operations and supporting community in lighting and irrigation activities. 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 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, 15 kWp Solar panel has been inserted for MPSS lighting and battery backup, our Dadri (Uttar Pradesh) plant started sourcing Solar power through PPA from November 2020 (the total project capacity is ~ 14 MW) and a new 5.14 MW solar PV project has been installed and operationalised at our Rajasthan plant. Existing ACL captive power plants also use biomass. Our current total internal Renewable Energy capacity stands at 34.53MW. 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 11.5 MW offshore project at Bhatapara, and 12MW onsite project at Ambujanagar (Gujarat). These are likely to be in operation in 2021-22. WHR projects under progress are: 21.1 MW at Darlaghat (Himachal Pradesh), 18.3 MW 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 natural resources as well as greenhouse gas emissions. During 2020, we co-processed about 2.8 lakh tonnes of alternative fuels substituting 4.2% of total thermal energy by use of alternative fuels. The company monitors its specific thermal & electrical energy consumption and employs various plant-specific 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 2020 are discussed at length in the [Annexure – VI] 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:

- Confederation of Indian Industry (CII)
- Bombay Chamber of Commerce and Industry (BCCI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Management Association (BMA)
- Indian Merchants' Chamber (IMC)
- Cement Manufacturer's Association (CMA)

The Company also endorses various economic, environmental, and social charters, principles, or other initiatives, some of which include:

- Global Cement and Concrete Association (GCCA)
- Indian Business Biodiversity Initiative (IBBI)

The main objectives of the above associations are knowledge sharing and providing consultative and representative services to the organisation. These forums operate through multi-lateral councils. There is no spending by the Company towards lobbying or influencing

public policies. However, we incur expenditure towards membership of these organisations, sponsorships, and participation (but not individual training) fees for workshops/conferences, among others.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Yes. We continue to work closely with business chambers and associations like CII, CMA, BCCI and GCCA etc for advocating public good and good practices in the industry including policy interventions in environment, governance, and inclusive development. Through GCCA, CMA, and CII etc we are working to implement sustainability principles focussed on SDGs, climate change, water, biodiversity protection, energy security and circular economy etc. During 2020, as active member, Ambuja worked with the Global Cement and Concrete Association (GCCA) to implement the sustainability charter that will enable to monitor and report the sustainability initiatives and performance data of the member companies in the cement industry. Also, Ambuja partnered with CII to share our replicable model on SDG implementation and reporting practices with other member companies from various sectors to promote SDG integration in business. Ambuja also collaborated with some of the associations and government agencies to provide support to the community in the pandemic months of 2020.

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 programmes. Important stakeholders groups are meaningfully engaged at various stages of program development and implementation. The programmes focus on the varied needs of the community and can broadly be divided in following categories:

- Water Resource Management: Water and Land Resources
- Livelihood Promotion: Agro based Livelihoods and Skill based Livelihoods
- Social Development: Community Health and Sanitation, Women Empowerment and Education
- 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 programmes.

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 concerns of employees, contract

workers, truckers etc. and works out a plan of action to ensure equitable development and inclusive growth.

We have also developed our Social program priorities which are as follows:

Priority 1 - Improving water availability for local communities and developing resilience at the community level to mitigate water scarcity. Aligned with SDG 6.

Priority 2 - Creating Sustainable Livelihoods through promotion of agro based livelihoods and Skill & Entrepreneurship Development. Aligned with SDG 8.

Priority 3 - Prevention of adverse environmental impact (air pollution) resulting from crop residue burning, along with generation of additional livelihood for surrounding farming communities, through sustainable utilisation of crop waste -biomass. Aligned with SDG 11.

The above-mentioned priorities are further divided into various objectives such as:

- Reach about 3.1 lakh farmers under Agro-based livelihood initiatives by 2022.
- Promote gainful livelihood for around 25,000 rural youth through Skill-based livelihood initiatives by 2022.
- Train and rehabilitate 50 differently abled youth under initiatives of 'Providing Access to Quality Education' by 2021.
- Help the SHGs formed at Bhatapara and Roorkee in a 4-year project to join/avail the schemes under the Linkages of SHGs with National Rural Livelihood Mission under Empowering Women initiatives by 2023.

ACF has promoted strategic social investment through planning its development interventions. All the programmes have defined goal and objectives and aim to specially focus the underprivileged and marginalised 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.

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

Ambuja Cement Foundation (ACF) is a CSR arm of Ambuja Cements Ltd. ACF was established in 1993 and all the development initiatives of the Company are undertaken by ACF. ACF mainly works with the neighbouring communities of ACL and other vulnerable stakeholders. The program thrusts include Water Resource Management, Agricultural and Skill based livelihoods, Women empowerment, Education & Health & Sanitation. During the coronavirus pandemic several initiatives were taken up in and around the work areas. Detailed projects initiated under these programmes are disclosed through Foundation's annual reports & website (www.ambujacementfoundation.org).

Governance Structure for Stakeholder Engagement: Stakeholder Engagement is led by MD & CEO / Chief Manufacturing Officer (CMO) / ExCo at the corporate

level. At the unit level, Unit Head of the plant chairs the stakeholder engagement committee and leads various engagement processes like CAP, SES, and action planning for SSIA, as described above. Members from relevant functions like Environment, CSR, Mining, HR and Commercial, among others, are involved. Issues, findings, and proposed action plan covering different stakeholders at the site are discussed in Unit Sustainability Steering Committee. Implementation of the Stakeholder engagement at all plants is monitored at corporate level by Corporate Sustainability Steering Committee (CSSC) and Executive Committee headed by MD and CEO. At an organisational level there is an effort to improve the level of engagement of stakeholders across the processes undertaken.

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

ACF follows a systematic approach to review the performance of the programmes on a regular basis. Both the inputs and outputs are mapped with the help of a customised 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 organisations 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). In addition to Impact assessment studies and Social Return over Investment (SROI) studies, we also develop a Social Engagement Scorecard (SES) for each of our plant location to assess the level of engagement and coordination we exercised with one of our most important stakeholder group, the local community.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

Ambuja Cements Ltd (ACL) has spent ₹53.97 crores on CSR during the Financial year 2020. Onetime sponsorships, and donations to the tune of ₹1.66 crores was made towards community-related activities (across all sites) in the financial year based on requirements in the communities that we operate in.

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 realise their potential". The Foundation reaches out to 27 lakh people across 44 Districts in 11 states and in 2613 villages 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 judicious 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 programmes is Better Cotton Initiative (BCI) expanding its reach to about 1, 69,000 farmers. 33 Skill and Entrepreneurship Development Institutes (SEDIs) have trained over 62,921 youth, 25,000 farmers are covered under the COVID-19 insurance policy. Some of them also availed 0% interest free loans. This year, the Company received the 'Best FPO' award among 103 FPOs in Punjab for its efforts. ACF is supporting 15 FPO having a membership of 6329 farmers. These FPOs are in different businesses and achieved a turnover of ₹10.04 crores in 2020-21.

Community health and sanitation program promotes healthy and productive neighbourhood communities. Raising awareness on health issues in rural communities helps in influencing the behaviour of community members. Under the sanitation program household sanitation and sanitation in community schools is promoted. Construction of toilets by mobilising communities and resources from other sources is undertaken. And this year with the global pandemic, ACF responded to COVID-19 in a short span reaching out to educate and support 34.41 lakh community members in rural India.

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 2020, the Ambujanagar Multispecialty Hospital reached out to about 36698 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 around its five integrated plants through Ambuja Vidya Niketan Trust (AVNT). All five AVNT schools 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). 2457 such SHGs have been formed with total 25786 members and a total corpus of ₹18.76 crores. At various locations these SHGs have come together to federate themselves into 5 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 outreach of some of its programmes and the same has positively influenced the livelihood options of several underprivileged people.

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.

Our community development initiatives are undertaken directly through our own CSR arm - Ambuja Cement Foundation. The philosophy and approach has been

to involve the local people throughout i.e. during needs assessment and prioritisation, 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 communities and making projects sustainable.

People's institutions include Women's Federations, Farmer Producer Companies, Water User Associations, Village Development Committees, strengthening Village Health Sanitation Committees, School Management Committees etc.

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 2020, we received 1134 Customer queries/complaints through toll free number, all of them have been resolved.

As regards consumer cases, 17 consumer cases were pending before different Forums/Commissions/Courts at the beginning of the year. During the year, 4 consumer case was filed and 3 cases were disposed-off leaving a balance of 18 pending cases as on December 31, 2020.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The product quality is governed by the Bureau of Indian Standards (BIS) and the Company complies with all statutory requirements mandated by the Bureau of Indian Standards (BIS), Weights and Measures norms. As per the BIS mandate, the product information is clearly displayed on the bag along with the contact details for customers to communicate any complaint, observation, and query. 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.

However, we print sustainable product labelling like "ProSustain" for which our Darlaghat plant is already certified. We also plan to display the voluntary product sustainability logo "EcoLabel" on some of our product categories if BIS permits. Ecolabel will be based on some minimum reduced CO2 emissions or recycled content criteria which products qualify for the certification provided by our group company LafargeHolcim.

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
	The Competition Commission of India passed an Order dated August 31, 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 crores.	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 July 25, 2018. Against the judgement passed by NCLAT, the Company has filed Appeal in the Supreme Court. On October 5, 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%.
	State of Haryana has filed a complaint alleging cartelisation 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?

We conducted an internal NPS (Net Promotor) survey last year, NPS is a widely used tool to measure and assess customer satisfaction. Any positive NPS rating suggests that you have more advocates (promoters) than critics (detractors). A NPS score above 70 is considered to be top quartile and suggests a high number of recommenders of our brand.

Based on the NPS study conducted on random customers across India, we received a positive NPS Score ~ 80, which demonstrated that Ambuja has a high satisfaction level among customers.

Based on insights from the survey, we identified areas of opportunity as well as areas of improvement. We continuously refine our customer strategy based on insights from surveys, market feedback & research reports.

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 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information 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, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 financial statements:

- a. In terms of the order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crore for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order passed on 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 a penalty of ₹ 29.84 crore 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.	<p>Litigation, Claims and Contingent Liabilities:</p> <p>(Refer Notes 3J and 48, read along with Emphasis of Matter in Independent Auditor's Report to the standalone financial statements)</p> <p>The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims.</p> <p>Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.</p> <p>Given the different views, possible basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'; Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. We read the correspondence from Court authorities and considered legal opinion obtained by the Management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the standalone financial statements. We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions. For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.
2.	<p>Income tax provision :</p> <p>(Refer Notes 3P, 29, 30 and 48 to the standalone financial statements)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors:</p> <ul style="list-style-type: none"> Existence of multiple uncertain tax positions leading to multiple disputes / litigations Provision for tax involves interpretation of various rules and law thereof. It also involves consideration of on-going disputes and disclosures of related contingencies. 	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. Obtained details of completed tax assessments and demands as of December 31, 2020 from the management. We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax 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 information included in 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 Company are 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 respective companies 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 business activity of the joint operation 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 ₹ 0.70 crore as at 31st December 2020 and total revenue of ₹ 0.04 crore 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 IndAS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st December, 2020 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its joint operation, none of the directors of the Company and its joint operation is disqualified as on 31st December, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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's Registration No.117366W / W-100018)

Saira Nainar
Partner

Place: Mumbai

(Membership No. 040081)

Date: 18th February, 2021

(UDIN: 21040081AAAAAV2554)

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2020)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Ambuja Cements Limited (“the Company”) as of 31st December, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2020, based on the criteria for internal

financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No.117366W / W-100018)

Saira Nainar

Partner

Place: Mumbai

(Membership No. 040081)

Date: 18th February, 2021

(UDIN: 21040081AAAAAV2554)

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone financial statements for the year ended 31st December, 2020 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, 2020	Net Block as at 31st December, 2020	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 / right-of-use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (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, 2020 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, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st December, 2020 on account of disputes are given below:

(₹ in crore)

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending				Total
			Commissionerate	Appellate authorities and Tribunal	High Courts	Supreme Court	
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	30.21	13.20	90.98	112.92	247.31
Customs Act, 1962	Demand of Customs Duty, interest and penalty	2000-01 to 2013-14	0.46	38.09	-	-	38.55
Central excise Act, 1944	Demand of Excise duty, Denial of Cenvat Credit, Interest and Penalty	1994-95 to 2017-18	7.29	17.19	0.18	2.06	26.72
Finance Act, 1994	Denial of service tax credit and penalty	2004-05 to 2017-18	2.98	255.08	-	-	258.06
Income Tax Act, 1961	Income tax and Interest	AY 2007-08 to AY 2013-14	70.43	15.56	-	-	85.99

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 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's Registration No. 117366W/W-100018)

Saira Nainar

Partner

Place: Mumbai
Date: 18th February, 2021

(Membership No. 040081)
(UDIN: 21040081AAAAAV2554)

Balance Sheet

As at 31st December 2020

Particulars	Notes	₹ in crore	
		As at 31.12.2020	As at 31.12.2019
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	5,382.88	5,633.62
b) Right-of-use assets	5	373.98	-
c) Capital work-in-progress (Refer Note 4(h))		1,873.74	1,108.70
d) Goodwill	6	-	-
e) Other intangible assets	7	174.64	178.83
f) Investments in subsidiaries and joint venture	9	11,787.71	11,789.01
g) Financial assets			
i) Investments	10	4.50	-
ii) Loans	11	76.35	62.90
iii) Other financial assets	12	537.92	372.94
h) Non-current tax assets (net) (Refer Note 31)		152.19	176.64
i) Other non-current assets	13	686.66	819.99
Total - Non-current assets		21,050.57	20,142.63
2 Current assets			
a) Inventories	14	746.61	954.07
b) Financial assets			
i) Trade receivables	15	191.51	513.22
ii) Cash and cash equivalents	16	2,716.91	4,512.29
iii) Bank balances other than cash and cash equivalents	17	207.43	187.20
iv) Loans	18	4.43	4.51
v) Other financial assets	19	78.82	228.87
c) Other current assets	20	460.35	423.19
		4,406.06	6,823.35
d) Non-current assets classified as held for sale	21	24.75	24.75
Total - Current assets		4,430.81	6,848.10
TOTAL - ASSETS		25,481.38	26,990.73
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	22	397.13	397.13
b) Other equity	25	19,918.73	21,808.05
Total Equity		20,315.86	22,205.18
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	26	43.60	35.28
ii) Other financial liabilities	27	296.77	0.62
b) Provisions	28	55.62	50.34
c) Deferred tax liabilities (net)	29	185.95	216.06
d) Other non-current liabilities	32	40.05	35.83
Total - Non-current liabilities		621.99	338.13
2 Current liabilities			
a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro and small enterprises	33	2.46	1.09
Total outstanding dues of creditors other than micro and small enterprises		878.44	934.89
ii) Other financial liabilities	34	765.65	782.04
b) Other current liabilities	35	1,911.97	1,737.81
c) Provisions	36	3.85	85.37
d) Current tax liabilities (net) (Refer Note 31)		981.16	906.22
Total - Current liabilities		4,543.53	4,447.42
Total Liabilities		5,165.52	4,785.55
TOTAL - EQUITY AND LIABILITIES		25,481.38	26,990.73

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLPChartered Accountants
ICAI Firm Registration No. 117366W/W-100018**Rajani Kesari**
Chief Financial Officer**Saira Nainar**
Partner
Membership Number: 040081**Rajiv Gandhi**
Company Secretary

Mumbai, 18th February 2021

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**Neeraj Akhoury**
Managing Director &
Chief Executive Officer
DIN - 07419090

Statement of Profit and Loss

For the year ended 31st December 2020

₹ in crore

Particulars	Notes	For the year ended 31st December 2020	For the year ended 31st December 2019
1 Income			
a) Revenue from operations	37	11,371.86	11,667.88
b) Other income	38	372.00	426.52
Total Income		11,743.86	12,094.40
2 Expenses			
a) Cost of materials consumed	39	874.88	994.42
b) Purchase of stock-in-trade	40	197.31	88.27
c) Changes in inventories of finished goods, work-in progress and stock-in-trade	41	114.08	42.80
d) Employee benefits expense	42	668.78	672.63
e) Finance costs	43	83.05	83.52
f) Depreciation and amortisation expense	44	521.17	543.83
g) Power and fuel		2,251.91	2,586.42
h) Freight and forwarding expense	45	2,854.88	3,094.20
i) Other expenses	46	1,784.54	2,046.44
		9,350.60	10,152.53
j) Self consumption of cement		(21.12)	(6.15)
Total Expenses		9,329.48	10,146.38
3 Profit before tax (1-2)		2,414.38	1,948.02
4 Tax expense	30		
a) Current tax - charge		652.04	573.00
b) Deferred tax - (credit)		(27.76)	(153.52)
		624.28	419.48
5 Profit for the year (3-4)		1,790.10	1,528.54
6 Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains / (losses) on defined benefit plans		(9.32)	(6.97)
Tax adjustment on above		2.35	2.58
Total other comprehensive income		(6.97)	(4.39)
7 Total comprehensive income for the year (5+6)		1,783.13	1,524.15
8 Earnings per share of ₹ 2 each - in ₹	47		
Basic		9.02	7.70
Diluted		9.01	7.70

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, 18th February 2021

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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

Martin Kriegner
Director
DIN - 00077715

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Statement of Changes in Equity

For the year ended 31st December 2020

Particulars	Notes	₹ in crore							
		As at 31.12.2020	As at 31.12.2019						
A) Equity share capital	22								
Opening balance		397.13	397.13						
Changes during the year		-	-						
Closing balance		397.13	397.13						
₹ in crore									
Particulars	Reserves and surplus (Refer Note 25)					Total other equity			
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidiaries		Capital contribution from parent	Retained earnings	
B) Other equity									
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
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
Profit for the year		-	-	-	-	-	-	1,790.10	1,790.10
Other comprehensive income (net of tax expenses)		-	-	-	-	-	-	(6.97)	(6.97)
Total comprehensive income for the year		-	-	-	-	-	-	1,783.13	1,783.13
Share based payment (Refer Note 49)		-	-	-	-	-	1.00	-	1.00
Equity dividend paid for the year 2019 (Refer Note 24)		-	-	-	-	-	-	(297.85)	(297.85)
Interim dividend paid for the year 2020 (Refer Note 24)		-	-	-	-	-	-	(3,375.60)	(3,375.60)
Balance as at 31st December 2020		130.71	12,471.07	5,655.83	9.93	5.02	1.53	1,644.64	19,918.73

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, 18th February 2021

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

Neeraj Akhouri
Managing Director &
Chief Executive Officer
DIN - 07419090

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

Cash Flow Statement

For the year ended 31st December 2020

₹ in crore

Particulars	Notes	For the year ended 31st December 2020	For the year ended 31st December 2019
A) Cash flows from operating activities			
Profit before tax		2,414.38	1,948.02
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	44	521.17	543.83
Loss on property, plant and equipment sold, discarded and written off (net)		21.82	9.95
Dividend income from subsidiary	38	(131.58)	(131.58)
Dividend income from joint venture	38	(2.50)	(1.66)
Gain on sale of current financial assets measured at fair value through profit and loss	38	(10.82)	(27.84)
Net gain on fair valuation of liquid mutual fund measured at fair value through profit and loss	38	(0.31)	(2.74)
Finance costs	43	83.05	83.52
Interest income		(219.91)	(235.15)
Provision for slow and non moving spares		17.38	3.48
Discounting income on interest free loan		(3.25)	-
Unrealised exchange loss (net)		7.95	0.21
Fair value movement in derivative instruments		1.02	0.13
Interest on income tax written back		(5.77)	(27.58)
Provisions no longer required written back	37	(6.06)	(3.80)
Impairment loss recognised under Expected Credit Loss (ECL) Model		14.14	6.03
Compensation Expenses under Employees Stock Options Scheme	49	1.00	0.53
Inventories written off		1.66	11.50
Bad debts, sundry debit balances and claims written off / written back (net)		1.07	0.08
Profit on buy back of shares of joint venture		(0.94)	-
Other non-cash items		(0.05)	-
Operating profit before working capital changes		2,703.45	2,176.93
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	262.00	(201.06)
Decrease in Inventories	14	188.42	308.71
Adjustments for Decrease / (Increase) in operating liabilities			
Increase / (Decrease) in Trade payables, other liabilities and provisions	26-29, 32-36	(82.79)	280.79
Cash generated from operations		3,071.08	2,565.37
Direct taxes paid (net of refunds) (Refer Note (1) below)		(464.84)	(80.71)
Net cash flow from operating activities (A)		2,606.24	2,484.66
B) Cash flows from investing activities			
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)		(985.47)	(1,116.47)
Proceeds from sale of property, plant and equipment		7.65	6.34
Proceeds from buyback of shares of joint venture		2.24	-
Inter corporate deposits and loans given to subsidiaries		(0.15)	(0.26)
Gain on sale of current financial assets measured at FVTPL		10.82	27.84
Investments in bank deposits (having original maturity of more than 3 months and upto 12 months)		(8,200.67)	(4,307.85)
Redemption of bank deposits (having original maturity of more than 3 months and upto 12 months)		8,189.28	4,299.23
Investments in bank deposits (having original maturity of more than 12 months)		(27.84)	(0.91)
Redemption of bank deposits (having original maturity of more than 12 months)		19.02	5.87
Purchase of non current investment		(4.50)	-
Dividend received from subsidiary	38	131.58	131.58
Dividend received from joint venture	38	2.50	1.66
Interest received		214.05	216.33
Net cash used in investing activities (B)		(641.49)	(736.64)

Cash Flow Statement

For the year ended 31st December 2020

Particulars	Notes	₹ in crore	
		For the year ended 31st December 2020	For the year ended 31st December 2019
C) Cash flows from financing activities			
Proceeds from non-current borrowings		8.47	-
Repayment of current maturity of non-current borrowings		(5.86)	-
Repayment of lease liability		(26.26)	-
Interest portion of lease repayment		(16.81)	
Interest paid		(46.53)	(55.82)
Net movement in earmarked balances with banks		(8.84)	1.06
Dividend paid on equity shares		(3,664.61)	(299.86)
Dividend distribution tax paid		-	(34.18)
Net cash used in financing activities (C)		(3,760.44)	(388.80)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		(1,795.69)	1,359.22
Cash and cash equivalents			
Cash and cash equivalents at the end of the year (Refer Note 16)		2,716.91	4,512.29
Adjustment for fair value (gain) / loss on liquid mutual funds measured through profit and loss (Refer Note 38)		(0.31)	(2.74)
		2,716.60	4,509.55
Cash and cash equivalents at the beginning of the year (Refer Note 16)		4,512.29	3,150.33
Net increase / (decrease) in cash and cash equivalents		(1,795.69)	1,359.22

Notes:

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 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".
- Changes in liabilities arising from financing activities :

Particulars	As at 31st December 2019	Cash flow changes		Non-cash flow changes		As at 31st December 2020
		Receipts	Payments	Unwinding charges	Other changes	
Non-current borrowings (Refer note 26)	35.28	8.47	-	3.10	(3.25)	43.60
Current maturities of non-current borrowings (Refer note 34)	5.78	-	(5.86)	0.08	-	-
Total	41.06	8.47	(5.86)	3.18	(3.25)	43.60

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, 18th February 2021

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board of Directors

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

Martin Kriegner
Director
DIN - 00077715

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Notes to Financial Statements

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 Multilateral Trading Facility (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 18th February 2021.

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 note 3 (l) for accounting policy on 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.
- D. Employee share based payments measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the financial statements except change in accounting policy on Leases as disclosed in note 52.

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. 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 provisions 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.
- V. The Company has applied Ind AS 116 "Leases" with effect from 1st January 2020.

Notes to Financial Statements

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 mining 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:
- Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003 as applicable.
 - 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. 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.

Notes to Financial Statements

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 (upto 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. In case, 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. 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.

Notes to Financial Statements

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.

H. 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.

I. 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, incentives 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 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. Financial assets at amortised cost

A Financial asset 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.

Financial assets at amortised cost 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.

Notes to Financial Statements

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 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. Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging

Notes to Financial Statements

relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not hold derivative financial instruments for speculative purposes.

e. 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.

f. 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 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from 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)

Notes to Financial Statements

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, lease liabilities 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

Notes to Financial Statements

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.

J. 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.

K. 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.

L. 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 recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and 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

Notes to Financial Statements

terms agreed to with customers concerned, which is consistent with the market practice.

Contract balances

Trade Receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a Company right to consideration that is conditional on something other than the passage of time.

Contract Liabilities

Contract liability 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. 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).

M. 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 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.

Notes to Financial Statements

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.

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:

- 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.

N. 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".

O. 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.

P. 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 is 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

Notes to Financial Statements

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.

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

Q. Leases

I. Accounting policy effective 1st January 2020

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

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

- a. the contract involves the use of identified asset;
- b. the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- c. the Company has the right to direct the use of the asset.

Notes to Financial Statements

Company as a lessee:

Right-of-use assets

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

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

Right of use assets	Average (Range) lease terms (in years)
Buildings	2-30
Land	5-99
Ships and Tugs	5-13

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

Lease liabilities

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

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

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

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. For lease arrangement in respect of ships, the non-lease components are not separated from lease components

and instead account for each lease component, and any associated non-lease component as a single lease component.

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

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

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

ROU asset have been separately presented in the Balance Sheet, whereas lease liability have been included under "other financial liabilities" in Balance Sheet and lease payments have been classified as financing cash flows.

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

Short-term leases and leases of low-value assets

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

Company as a lessor:

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

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on

Notes to Financial Statements

the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

R. 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.

S. 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.

T. Government grants and subsidies

- I. Grants and subsidies from the Government are recognised when the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant / subsidy will be received 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.

U. 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.

V. 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.

W. Use of estimates and judgments

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

Notes to Financial Statements

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 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.

IV. Leases Ind AS 116

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

taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

X. New Accounting Pronouncements

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

I. Adoption of Ind AS 116 Leases

The Company has adopted Ind AS 116 effective 1st January 2020, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted using the incremental borrowing rate as at the date of initial application.

Further, the application of Ind AS 116 did not have any significant impact on the financial statements and EPS for the year ended 31st December 2020. Information regarding the financial impacts of the initial application of Ind AS 116 is outlined in Note 52.

II. Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company has used in tax computation or plan to use in their income tax filings. The Company has carried out an assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

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

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

Y. Recent Accounting Developments

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

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)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2019	Additions	Deductions / Transfers	As at 31st December 2020	As at 31st December 2019	Charge for the year (Refer Note (f) below)	Deductions / Transfers	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
Freehold non-mining land	376.25	46.90	0.10	423.05	-	-	-	-	423.05	376.25
Freehold mining land	771.73	21.83	-	793.56	53.66	30.92	-	84.58	708.98	718.07
Leasehold mining land	201.12	0.33	-	201.45	3.21	2.06	-	5.27	196.18	197.91
Leasehold non-mining land (Refer Note (j) below)	32.47	0.10	32.57	-	1.01	-	1.01	-	-	31.46
Buildings roads and water works (Refer Note (a) below)	1,557.56	10.73	2.25	1,566.04	331.35	74.12	0.62	404.85	1,161.19	1,226.21
Plant and equipment (owned) (Refer Note (b) below)	4,504.72	193.45	45.39	4,652.78	1,667.32	335.51	18.67	1,984.16	2,668.62	2,837.40
Furniture and fixtures	24.47	0.87	0.24	25.10	11.76	2.45	0.13	14.08	11.02	12.71
Vehicles	119.37	17.55	3.36	133.56	43.01	16.43	2.48	56.96	76.60	76.36
Office equipment	70.42	4.22	0.85	73.79	48.93	10.34	0.82	58.45	15.34	21.49
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	14.31	3.00	-	17.31	7.06	10.06
Railway sidings and locomotives (Refer Note (d) below)	48.59	0.01	-	48.60	19.15	3.68	-	22.83	25.77	29.44
Ships	126.54	-	-	126.54	30.28	7.19	-	37.47	89.07	96.26
Total	7,857.61	295.99	84.76	8,068.84	2,223.99	485.70	23.73	2,685.96	5,382.88	5,633.62

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 mining land	25.92	175.20	-	201.12	1.33	1.88	-	3.21	197.91	24.59
Leasehold non-mining land	32.47	-	-	32.47	0.64	0.37	-	1.01	31.46	31.83
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

Notes to Financial Statements

- Includes :**
- a) i) Premises in co-operative societies, on ownership basis of ₹ 83.42 crore (31st December 2019 - ₹ 84.50 crore) and ₹ 7.73 crore (31st December 2019 - ₹ 6.31 crore) being accumulated depreciation thereon.
 ii) ₹ 19.48 crore (31st December 2019 - ₹ 19.92 crore) being cost of roads constructed by the Company, the ownership of which vests with government/local authorities and ₹ 16.87 crore (31st December 2019 - ₹ 16.27 crore) being accumulated depreciation thereon.
 b) ₹ 73.47 crore (31st December 2019 - ₹ 73.54 crore) being cost of power lines incurred by the Company, the ownership of which vests with state electricity boards and ₹ 11.17 crore (31st December 2019 - ₹ 8.88 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 2019 - ₹ 11.75 crore) being cost of railway sidings incurred by the Company, the ownership of which vests with railway authorities and ₹ 5.90 crore (31st December 2019 - ₹ 4.96 crore) being accumulated depreciation thereon.
 e) As per the website of the Ministry of Corporate Affairs, certain charges aggregating ₹ 23.42 crore (31st December 2019 - ₹ 23.42 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. Subsequent to balance sheet date, on the 5th February 2021 charges for ₹ 1 crore included above have been satisfied.
 f) ₹ 5.18 crore (31st December 2019 - ₹ 1.25 crore) capitalised during construction for projects (Refer Note 8).
 g) The title deeds of immovable properties are held in the name of the Company except for 12 cases (31st December 2019 - 12 cases) of freehold land amounting to net block of ₹ 1.30 crore (31st December 2019 - ₹ 1.30 crore) for which title deeds are in the name of the subsidiary and erstwhile Company, merged with the Company.
 h) Capital work in progress as at 31st December 2020 is ₹ 1,873.74 crore (31st December 2019 - ₹ 1,108.70 crore). Refer Note 8 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.
 j) Upon implementation of Ind AS 116 - Leases from 1st January 2020, all leasehold non-mining land, identified under the earlier Ind AS 17 amounting ₹ 31.56 crore (net block) have been reclassified as Right of use assets. Also Refer Note 52 A(c).

Note 5 - Right-of-use assets

(Refer Note 3 (Q) and (X) for accounting policy on leases)

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value		
	As at 1st January 2020 (Refer Note (a) below)	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Additions / Deductions / Transfers	As at 31st January 2020	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2019
Leasehold land (Refer Note 4(i) and 52(A)(c))	20.28	66.51	-	-	1.01	2.22	-	3.23	83.56
Building and installation	8.51	-	0.35	1.07	-	1.75	0.18	1.57	6.22
Ships and tugs	315.64	-	-	315.64	-	31.44	-	31.44	284.20
Total	344.43	66.51	0.35	410.22	1.01	35.41	0.18	36.24	373.98

Note:

- a) Refer Note 52 on adoption of Ind AS 116 "Leases"

Notes to Financial Statements

Note 6 - Goodwill

Particulars	Gross Carrying Value			Accumulated Amortisation		Net Carrying Value	
	As at 31st December 2019	Additions	Deductions / Transfers	As at 31st December 2020	As at 31st December 2019	Charge for the year	As at 31st December 2020
Goodwill (Refer Note (a) below)	235.63	-	-	235.63	235.63	-	235.63
Total	235.63	-	-	235.63	235.63	-	235.63

₹ 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	As at 31st December 2019
Goodwill (Refer Note (a) below)	235.63	-	-	235.63	235.63	-	235.63
Total	235.63	-	-	235.63	235.63	-	235.63

₹ in crore

Note:

a) The Company has adopted Ind AS w.e.f. 1st January 2017. In previous Generally Accepted Accounting Principles (GAAP) the Company was amortising goodwill. Accumulated amortisation is related to previous GAAP.

Note 7 - Other intangible assets

(Refer Note 3 (C) and 3 (D) for accounting policy on intangible assets)

Particulars	Gross Carrying Value			Accumulated Amortisation		Net Carrying Value	
	As at 31st December 2019	Additions	Deductions / Transfers	As at 31st December 2020	As at 31st December 2019	Charge for the year	As at 31st December 2020
Mining rights	185.23	-	-	185.23	6.85	5.13	11.76
Water drawing rights	0.31	-	-	0.31	0.08	0.02	0.10
Computer software	0.34	0.83	-	1.17	0.12	0.09	0.21
Total	185.88	0.83	-	186.71	7.05	5.24	12.07

₹ 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	As at 31st December 2019
Mining rights (Refer Note (a) below)	104.03	81.20	-	185.23	4.16	2.69	6.85
Water drawing rights	0.31	-	-	0.31	0.06	0.02	0.08
Computer software	0.34	-	-	0.34	0.05	0.07	0.12
Total	104.68	81.20	-	185.88	4.27	2.78	7.05

₹ in crore

Note:

a) During the previous year the Company 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.

Notes to Financial Statements

Note 8 - 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balance at the beginning of the year included in capital work-in-progress	59.80	28.16
Add : Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	22.84	14.05
Depreciation and amortisation expense (Refer Note 4 (f))	5.18	1.25
Other expenses (Refer Note (b) below)	38.14	16.34
	125.96	59.80
Less : Capitalised during the year	-	-
Balance at the end of the year included in capital work-in-progress	125.96	59.80

Notes:

- 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.
- 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 9 - Investments in subsidiaries and joint venture

(Refer Note 3 (G) for accounting policy on Investment in subsidiaries associates and joint arrangements measured at cost)

Particulars	Face value (in ₹)	As at 31.12.2020		As at 31.12.2019	
		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 (Refer Note (c) below)	10	2,501,000	2.50	2,501,000	2.50
Dirk India Private Limited (Refer Note 58)	10	2,075,383	23.03	2,075,383	23.03
			35.05		35.05
B) Investment in joint venture					
Unquoted, In fully paid equity shares					
Counto Microfine Products Private Limited (During the year 675,677 shares were bought back)	10	7,644,045	14.86	8,319,722	16.16
Total			11,787.71		11,789.01

Notes:

a) Book and Market value

Particulars	Book value as at		Market value as at	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Aggregate amount of quoted investments	11,737.80	11,737.80	15,210.39	13,577.42
Aggregate amount of unquoted investments	49.91	51.21	-	-
Total	11,787.71	11,789.01	15,210.39	13,577.42

Notes to Financial Statements

b) 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 31.12.2020	As at 31.12.2019
a) Direct and Indirect 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 21(a))	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 (Refer Note (c) below)	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%

- c) The Company's investment in equity shares of OneIndia BSC Private Limited (BSC), engaged in business shared services, is ₹ 2.50 crore (31st December 2019 ₹ 2.50 crore). The service agreement was for a period of 5 years ending 31st December 2020, the same is not renewed. Accordingly, the financial statements of BSC for the year ended 31st December 2020 have not been prepared on a "Going Concern" basis. BSC is currently not under liquidation. The Company believes that investment in BSC is recoverable and no impairment is necessary considering positive net worth of ₹ 13.09 crore and net current assets ₹ 9.59 crore as at 31st December 2020.

Note 10 - Non-current investments

Particulars	Face value (in ₹)	As at 31.12.2020		As at 31.12.2019	
		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 2019 ₹ 36,500) deposited with government department as security. (Refer Note (b) below)			-		-
Total (A)			-		-
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	-
Amplus Green Power Private Limited (Refer Note (c) below)	10	2,578,592	4.50	-	-
Total (B)			4.50		-
Total (A+B)			4.50		-
Aggregate amount of unquoted investments			4.50		-

Notes:

- a) Refer Note 55 for information about fair value measurement and Note 56 for credit risk and market risk of investments.
b) Denotes amount less than ₹ 50,000.
c) During the year, the Company has subscribed 2,578,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹ 4.50 crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Dadri's plant would be one of the consumer.

Notes to Financial Statements

Note 11 - Non-current loans

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Security deposits	75.41	61.47
Loans to employees	0.94	1.43
	76.35	62.90
Unsecured loans which have significant increase in credit risk		
Loans to related party - Subsidiary (Refer Notes 54 and (c) below)	37.94	37.94
Loans to Joint Operation	1.04	0.98
	38.98	38.92
Less : allowance for doubtful loans	38.98	38.92
	-	-
Total	76.35	62.90

Notes:

- 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.
- No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- The Company had performed a test of impairment on Dirk India Private Limited (DIPL) and determined the value in use based on estimated cash flow projections. Basis that the Company recognised a provision towards loans and interest thereon amounting to ₹ 37.94 crore and ₹ 9.22 crore respectively.
- Refer Note 56 (B) for information about credit risk of loans.

Note 12 - Other non-current financial assets

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Incentives receivable under government incentive schemes	481.97	344.09
Bank deposits with more than 12 months maturity (Refer Note (a) below)	50.80	25.06
Interest accrued on fixed deposits	5.15	3.79
Unsecured receivables which have significant increase in credit risk		
Interest receivable from related party - subsidiary (Refer Notes 54 and 11 (c))	9.22	10.60
Less : allowance for doubtful balances	9.22	10.60
	-	-
Total	537.92	372.94

Notes:

- These include fixed deposits of ₹ 41.84 crore (31st December 2019 - ₹ 24.15 crore) given as security against bank guarantees and other deposits ₹ 8.96 crore (31st December 2019 - ₹ 0.91 crore) given as security to regulatory authorities.
- Refer Note 56 (B) for information about credit risk of other financial assets.

Notes to Financial Statements

Note 13 - Other non-current assets

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Capital advances	256.23	347.51
Advances other than capital advances		
Deposit against government dues / liabilities	167.11	167.09
Prepayments under leases	-	34.24
Advances recoverable other than in cash	48.35	42.74
Other claim receivable from Government	214.97	228.41
	686.66	819.99
Unsecured, considered doubtful		
Capital advances	5.83	6.59
Advances recoverable other than in cash	0.89	6.74
Other claim receivable from Government	31.84	31.84
	38.56	45.17
Less : allowance for doubtful receivables	38.56	45.17
	-	-
Total	686.66	819.99

Notes:

- No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.
- Refer Note 56 (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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Raw materials (including in transit - ₹ 0.10 crore; 31st December 2019 - ₹ 5.42 crore)	61.18	55.41
Work-in-progress	203.92	274.44
Finished goods	71.49	104.38
Captive coal	19.87	31.26
Stock in trade (in respect of goods acquired for trading)	2.18	1.46
Coal and fuel (including in transit - ₹ 0.25 crore; 31st December 2019 - ₹ 24.24 crore)	158.00	245.87
Stores and spares (including in transit - ₹ 2.92 crore; 31st December 2019 - ₹ 6.32 crore)	203.68	225.11
Packing material	26.29	16.14
Total	746.61	954.07

Notes:

- 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 for the year ended 31st December 2020 is amounting to ₹ 17.38 crore (31st December 2019 - ₹ 3.48 crore).
- No inventories have been pledged as security for liabilities.

Notes to Financial Statements

Note 15 - Trade receivables

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Secured, considered good	55.72	167.89
Unsecured, considered good	135.79	345.33
Unsecured which have significant increase in credit risk	23.68	9.90
	215.19	523.12
Less : Allowance for doubtful trade receivables	23.68	9.90
Total	191.51	513.22

Notes:

- No trade receivables are due from directors or other officers of the company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.
- Refer Note 54 for receivables from related parties.
- Refer Note 56 (B) for information about credit risk of trade receivables.

Note 16 - Cash and cash equivalents

(Refer Note 3 (S) for accounting policy on cash and cash equivalents)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balances with banks		
In current accounts	26.97	23.32
Deposit with original maturity upto 3 months	2,415.63	3,585.18
Cash on hand	-	0.05
Deposit with other than banks with original maturity of upto 3 months	200.00	250.00
Investments in liquid mutual funds measured at FVTPL	74.31	653.74
Total	2,716.91	4,512.29

Note 17 - Bank balances other than cash and cash equivalents

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Other Bank Balances		
Earmarked balances with banks (Refer Note (a) below)	32.29	23.45
Fixed deposit with banks (original maturity more than 3 months but up to 12 months) (Refer Note (b) below)	175.14	163.75
Total	207.43	187.20

Notes:

- 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 not available for use by the Company.
- These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 129.37 crore including interest (31st December 2019 - ₹ 123.28 crore), (Refer Note 48(b)(i)) and other deposits amounting ₹ 25.00 crore (31st December 2019 - ₹ 25.00 crore) given as security against bank guarantees to regulatory authorities and ₹ 20.77 crore (31st December 2019 - ₹ 15.47 crore) to others.

Notes to Financial Statements

Note 18 - Current loans

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Loans to related parties - subsidiary (Refer Note 54)	1.44	1.29
Loans to employees	2.99	3.22
Total	4.43	4.51

Notes:

- No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- Refer Note 56 (B) for information about credit risk of loans.

Note 19 - Other current financial assets

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Incentives receivable under government incentive schemes	32.58	149.00
Interest accrued on loan to subsidiary (Refer Note 54)	0.23	3.17
Interest accrued on fixed deposits	3.93	17.63
Deposit with banks with original maturity of more than 12 months (Refer Note (a) below)	1.08	18.00
Other receivables	41.00	41.07
	78.82	228.87
Unsecured which have significant increase in credit risk		
Other receivables	12.14	5.70
Less : Allowance for doubtful other receivable	12.14	5.70
	-	-
Total	78.82	228.87

Notes:

- Fixed deposits of ₹ Nil (31st December 2019 - ₹ 10.00 crore) given as security against bank guarantees and other deposit ₹ 1.08 crore (31st December 2019 - ₹ 8.00) given as security to regulatory authorities.
- Refer Note 56 (B) for information about credit risk of other financial assets.

Note 20 - Other current assets

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	139.54	154.36
Balances with statutory / Government authorities	274.36	253.94
Prepaid expenses	27.67	12.41
Prepayments under leases	-	1.31
Others	18.78	1.17
Total	460.35	423.19

Note:

- No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

Notes to Financial Statements

Note 21 - Non-current assets classified as held for sale

(Refer Note 3 (N) for accounting policy on Non-current assets held for sale)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Investments in Dang Cement Industries Private Limited (Refer Note (a) below)	24.75	24.75
Total	24.75	24.75

Note:

- a) 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 fulfillment such conditions, the said investment has been classified as held for sale.

Note 22 - Equity share capital

(Refer note 3 (I) (II) (a) for accounting policy on equity instruments)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Authorised		
40,000,000,000 (31st December 2019 - 40,000,000,000) Equity shares of ₹ 2 each	8,000.00	8,000.00
150,000,000 (31st December 2019 - 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 2019 - 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 2019 - 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 31.12.2020		As at 31.12.2019	
	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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Holderind Investments Limited Mauritius Holding company (a subsidiary of LafargeHolcim Limited, Switzerland, the ultimate holding company)	250.63	250.63
1,253,156,361 (31st December 2019 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up		

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2020		As at 31.12.2019	
	No. of shares	% holding	No. of shares	% holding
Holderind Investments Limited Mauritius	1,253,156,361	63.11%	1,253,156,361	63.11%

Notes to Financial Statements

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 2019 - 186,690) and 139,830 (31st December 2019 - 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, 58,441,928 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Total debt (including current maturities of borrowings) (Refer Notes 26 and 34)	43.60	41.06
Less : Cash and cash equivalents (Refer Note 16)	2,716.91	4,512.29
Net debt	(2,673.31)	(4,471.23)
Total equity (Refer Notes 22 and 25)	20,315.86	22,205.18
Net Debt to Equity	Nil	Nil

Note 24 - Dividend distribution made and proposed

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
A) Cash dividends on equity shares declared and paid		
i) Final dividend for the year ended 31st December 2019 ₹ Nil per share (31st December 2018 - ₹ 1.50 per share)	-	297.85
ii) Dividend distribution tax on final dividend	-	34.18
iii) Interim dividend for the year ended 31st December 2019 ₹ 1.50 per share (31st December 2018 - ₹ Nil per share) (Refer Note (c) below)	297.85	-
iv) Interim dividend for the year ended 31st December 2020 ₹ 17 per share	3,375.60	-
Total	3,673.45	332.03
B) Proposed dividend on equity shares		
i) Final dividend for the year ended 31st December 2020 ₹ 1 per share (31st December 2019 - ₹ 1.50 per share) (Refer Note (a) and (c) below)	198.56	297.85
Total	198.56	297.85

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 distribution tax in respect of dividend proposed for the current year.
- c) Due to COVID-19 pandemic there was a delay in conducting AGM and consequent delay in payment of final dividend. The Board of Directors revoked the recommendation for payment of final dividend for the year ended 31st December 2019 and declared an interim dividend for the financial year ended 31st December 2019 at ₹ 1.50 per share in the Board Meeting held on 12th May 2020.

Notes to Financial Statements

Note 25 - Other equity

(Refer Statement of Changes in Equity for detailed movement in other equity balances)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
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	1.53	0.53
g) Retained earnings	1,644.64	3,534.96
Total	19,918.73	21,808.05

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 utilised 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 (I) (II) (b) for accounting policy on financial liabilities)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Secured		
Interest free loan from State Government (Refer Notes (a) and (b) below)	43.60	35.28
Total	43.60	35.28

Notes:

- 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 ₹ 3.25 crore (previous year - ₹ Nil) was recognised as an income.
- Interest free loans from State Government, secured by bank guarantees (majorly backed by pledge of bank fixed deposits) and each loan repayable in single installment, starting from August 2022 to January 2027 of varying amounts ranging from ₹ 3.59 crore to ₹ 13.39 crore. During the year, the Company has paid one of the installment of ₹ 5.86 crore which was due in February 2020. Next installment is due in August 2022.

Notes to Financial Statements

Note 27 - Other non-current financial liabilities

(Refer Note 3 (I) (II) (b) for accounting policy on financial liabilities and 3(Q) for accounting policy on leases)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Liability for capital expenditure	0.13	0.62
Lease Liability (Refer Notes 52)	296.64	-
Total	296.77	0.62

Note 28 - Non-current provisions

(Refer Note 3 (J) (I) and 3 (M) for accounting policy on provisions and retirement and other employee benefits)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
For employee benefits		
Provision for gratuity and other staff benefit schemes (Refer Note 51)	8.34	16.66
Others		
Provision for mines reclamation expenses (Refer Note (a) below)	47.28	33.68
Total	55.62	50.34

Note:

- a) Mines reclamation expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Opening Balance	33.68	21.34
Add : Provision during the year	12.42	12.89
	46.10	34.23
Add : Unwinding of discount	1.34	1.04
Less : Utilisation during the year	0.16	1.59
Closing Balance	47.28	33.68

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (P) (II) for accounting policy on deferred tax)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Deferred tax liabilities, on account of		
Depreciation and amortisation	399.48	427.01
Deferred tax assets, on account of		
Provision for employee benefits	12.84	40.05
Provision for slow and non moving spares	13.11	8.73
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	61.35	54.22
Provision against loan and interest thereon receivable from a subsidiary	11.87	12.21
Interest provided u/s 244A of Income Tax Act, 1961	95.17	80.50
Others temporary differences	19.19	15.24
	213.53	210.95
Deferred tax liabilities (net)	185.95	216.06

Notes to Financial Statements

Note 29 - Deferred tax liabilities (net)

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

Particulars	₹ in crore			
	As at 31st December 2019	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at 31st December 2020
Deferred tax liabilities, on account of				
Depreciation and amortisation	427.01	(27.53)	-	399.48
Deferred tax assets, on account of				
Provision for employee benefits	40.05	(29.56)	2.35	12.84
Provision for slow and non moving spares	8.73	4.38	-	13.11
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	54.22	7.13	-	61.35
Provision against loan and interest thereon receivable from a subsidiary	12.21	(0.34)	-	11.87
Interest provided u/s 244A of Income Tax Act, 1961	80.50	14.67	-	95.17
Others temporary differences	15.24	3.95	-	19.19
	210.95	0.23	2.35	213.53
Deferred tax liabilities / (assets) (net)	216.06	(27.76)	(2.35)	185.95

Particulars	₹ in crore			
	As at 31st December 2018	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at 31st December 2019
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
Interest provided u/s 244A of Income Tax Act, 1961	92.45	(11.95)	-	80.50
Others temporary differences	13.07	2.17	-	15.24
	254.04	(45.67)	2.58	210.95
Deferred tax liabilities / (assets) (net)	372.16	(153.52)	(2.58)	216.06

Note:

- a) The Company has long term capital losses of ₹ 3.58 crore (31st December 2019 - ₹ 4.43 crore) for which no deferred tax assets have been recognised. These losses will expire between financial year 2021-22 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 2020		For the year ended 31st December 2019	
	₹ in crore	In %	₹ in crore	In %
Accounting Profit before tax	2,414.38		1,948.02	
Tax expenses at statutory income tax rate (Refer Note (a) below)	607.65	25.17%	544.47	27.95%
Effect of tax exempt dividend income	-	-	(36.78)	-1.89%
Effect of non deductible expenses	18.83	0.78%	26.88	1.38%
Effect of allowances / tax holidays for tax purpose	-	-	(4.70)	-0.24%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	-	-	(103.28)	-5.30%
Effect of change in tax rate on Deferred Tax	-	-	(5.40)	-0.28%
Others	(2.20)	-0.09%	(1.71)	-0.09%
Tax Expenses at the Effective Income Tax Rate	624.28	25.86%	419.48	21.53%
Tax expense reported in the statement of profit or loss	624.28	25.86%	419.48	21.53%

Notes to Financial Statements

Notes:

- a) Company follows calendar 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 115 BAA 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 previous year ended 31st December 2019.

Note 31 - Recognition of tax adjustments for Order Giving Effect received

On receipt of Order Giving Effect (OGE) to the CIT(A) order for certain assessment years, the Company has recognised interest income on income tax refund and reversal of provision for interest on income tax, aggregating ₹ 85.57 crore (previous year ₹ 132.58 crore) during the year ended 31st December 2020. However, considering the uncertainty of its ultimate realisation, the Company has also made a provision of ₹ 61.84 crore (previous year ₹ 81.00 crore), resulting in recognition of net income of ₹ 23.73 crore (previous year ₹ 51.50 crore) in other income during the year ended 31st December 2020.

Note 32 - Other non-current liabilities

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Rebate to customers	40.05	35.83
Total	40.05	35.83

Note 33 - Total outstanding dues of micro and small enterprises

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
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	2.41	1.08
Interest	0.05	0.01
	2.46	1.09
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	16.35	26.26
Interest	0.08	0.31
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	0.01	-
d) The amount of interest accrued and remaining unpaid at the end of the year	0.06	0.01
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.

Notes to Financial Statements

Note 34 - Other current financial liabilities

(Refer Note 3 (I) (II) (b) for accounting policy on financial liabilities)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Financial Liabilities at amortised cost		
Security deposits	490.39	506.41
Liability for capital expenditure	167.59	188.57
Unpaid dividends (Refer Note (a) below)	29.79	20.95
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
Current portion of lease liability (Refer Note 52)	27.88	-
Others (includes interest on security deposits)	46.46	57.74
Financial Liabilities at fair value		
Foreign currency forward contract	1.04	0.09
Total	765.65	782.04

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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Contract liability (Refer Note (a) below)		
Advance received from customers	130.93	78.98
Other liability		
Statutory dues payable	535.17	512.57
Rebates to customers	397.87	416.21
Other payables (includes interest on income tax)	848.00	730.05
Total	1,911.97	1,737.81

Note:

- a) The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2020.

Note 36 - Current provisions

(Refer Note 3 (M) for accounting policy on retirement and other employee benefits)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Provision for compensated absences (Refer Note (a) below)	3.85	85.37
Total	3.85	85.37

Note:

- a) During the year, the Company has funded liability towards provision for compensated absences to the extent of ₹ 70 crore.

Notes to Financial Statements

Note 37 - Revenue from operations

(Refer Note 3 (L) (I) and (II) for accounting policy on revenue recognition and 3 (T) for accounting policy on government grants and subsidies)

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Revenue from contracts with customers		
Sale of Manufactured products	10,896.21	11,233.39
Sale of Traded products	278.76	119.37
	11,174.97	11,352.76
Other operating revenues		
Provisions no longer required written back	6.06	3.80
Sale of scrap	50.79	43.86
Incentives and subsidies (Refer note (f) below)	50.29	207.78
Miscellaneous income (Refer note (f) below) (includes insurance claims and others)	89.75	59.68
	196.89	315.12
Total	11,371.86	11,667.88

Notes :

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Revenue as per contract price	12,526.70	12,825.66
Less: Discounts and incentives	1,351.73	1,472.90
Revenue as per statement of profit and loss	11,174.97	11,352.76

- b) The amounts receivable from customers become due after expiry of credit period which on an average is 30 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 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".

f) Government grants

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Recognised in statement of profit and loss		
Incentives and subsidies (Refer Note (g) below)	50.29	207.78
Discounting income on interest free loan from State Government included in miscellaneous income of Note 37	3.25	-
Total	53.54	207.78

- g) 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.

Notes to Financial Statements

Note 38 - Other income

(Refer Note 3 (L) (III) and (IV) for accounting policy on interest income and dividends)

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Interest income on		
Bank deposits - effective interest rate method	191.58	203.10
Income tax refund (Refer Note 31)	17.96	24.01
Defined benefit obligation (net) (Refer Note 51)	-	0.15
Others	10.43	7.95
	219.97	235.21
Dividend income from non-current investment		
From subsidiary	131.58	131.58
From joint venture	2.50	1.66
	134.08	133.24
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	10.82	27.84
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	0.31	2.74
Gain on buy back of non-current investments	0.94	-
Interest on income tax written back and others (Refer Note 31)	5.77	27.49
Others	0.11	-
Total	372.00	426.52

Note:

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

Note 39 - Cost of materials consumed

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Inventories at the beginning of the year	55.41	72.96
Add : Purchases during the year	880.65	976.87
	936.06	1,049.83
Less : Inventories at the end of the year	61.18	55.41
Cost of materials consumed (Refer Note (a) below)	874.88	994.42

Notes:

a) Break-up of cost of materials consumed

Fly ash	421.73	461.41
Gypsum	204.50	224.73
Others (Refer Note (b) below)	248.65	308.28
Total	874.88	994.42

b) Includes no item which in value individually accounts for 10% or more of the total value of materials consumed.

Note 40 - Purchases of stock-in-trade

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Cement	158.75	51.92
Others	38.56	36.35
Total	197.31	88.27

Notes to Financial Statements

Note 41 - Change in inventories of finished goods work-in-progress and stock-in-trade

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Inventories at the end of the year		
Work-in-progress	203.92	274.44
Finished goods	71.49	104.38
Stock in trade	2.18	1.46
Captive coal	19.87	31.26
	297.46	411.54
Inventories at the beginning 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	31.26	7.32
	411.54	454.34
(Increase) / decrease in inventories	114.08	42.80

Note 42 - Employee benefits expense

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Salaries and wages	580.65	586.13
Contribution to provident and other funds	49.46	37.38
Employee stock option expenses (Refer Note 49)	1.00	0.53
Staff welfare expenses	37.67	48.59
Total	668.78	672.63

Note 43 - Finance costs

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Interest on :		
Income tax (net of interest income on refund - ₹ 61.84 crore; previous year - ₹ 81 crore) (Refer Note 31)	18.10	21.06
Defined benefit obligation (net) (Refer Note 51)	0.66	-
Security deposits	15.34	25.25
Others	27.62	34.78
Unwinding of financial liabilities	3.18	1.39
Unwinding of interest on lease liability (Refer Note (a) below)	16.81	-
Unwinding of mines reclamation provision (Refer Note 28)	1.34	1.04
Total	83.05	83.52

Note:

- a) On adoption of Ind AS 116 Leases, the Company has recognised Right of use assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

Notes to Financial Statements

Note 44 - Depreciation and amortisation expense

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Depreciation on property plant and equipment (Refer Note 4)	485.70	542.30
Less : Pre-operative charge during the year (Refer Note 8)	5.18	1.25
	480.52	541.05
Depreciation on Right-of-use assets (Refer Note 5)	35.41	-
Amortisation of intangible assets (Refer Note 7)	5.24	2.78
Total	521.17	543.83

Note 45 - Freight and forwarding expense

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
On finished products	2,155.69	2,402.15
On Internal material transfer	699.19	692.05
Total	2,854.88	3,094.20

Note 46 - Other expenses

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Royalty on minerals	231.10	254.93
Consumption of stores and spare parts	224.82	315.17
Consumption of packing materials	344.97	383.86
Repairs	148.15	218.93
Rent (Refer Note 52)	57.99	54.50
Rates and taxes	92.02	78.43
Insurance	25.76	23.52
Technology and know-how fees	107.86	112.64
Advertisement	63.93	85.45
Corporate Social Responsibility (Refer note (a) below)	52.31	60.98
Exchange loss (net)	9.94	1.12
Miscellaneous expenses (Refer Note (b) below)	425.69	456.91
Total	1,784.54	2,046.44

Notes:

a) Corporate Social Responsibility Expenditure :

- As per Board's approval, the Company has spent ₹ 53.97 crore (previous year ₹ 62.57 crore) towards various schemes of Corporate Social Responsibility activities of which Donation is ₹ 52.31 crore (previous year - ₹ 60.98 crore) and the balance amount spent are included in different heads of expenses in the statement of profit and loss.
- The amount required to be spent under Section 135 of the Companies Act, 2013, for the year ended 31st December 2020 is ₹ 30.90 crore (previous year ₹ 26.71 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.
- No amount has been spent on construction / acquisition of an asset of the Company and the entire amount has been spent in cash.

Notes to Financial Statements

b) Miscellaneous expenses :

- i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.
- ii) Includes expenses towards information technology, traveling, consultancy, site restoration, outsource services and others.
- iii) Includes payment to auditors (excluding taxes) as under:

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Statutory auditor		
For audit fees (including for quarterly limited reviews and tax financial statements)	2.07	2.14
Fees for other services	0.04	0.01
For reimbursement of expenses	0.03	0.06
	2.14	2.21
Cost auditor		
As auditor for cost audit	0.10	0.10
For reimbursement of expenses	0.02	0.02
	0.12	0.12
Total	2.26	2.33

Note 47 - Earnings per share (EPS)

(Refer Note 3 (U) 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	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
i) Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	1,790.10	1,528.54
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	315,403	315,467
iii) Weighted average number of shares for diluted EPS	1,985,960,632	1,985,960,696
iv) Earnings per equity share (in ₹)		
Face value of equity per share	2.00	2.00
Basic	9.02	7.70
Diluted	9.01	7.70

Notes to Financial Statements

Note 48 - Contingent Liabilities (to the extent not provided for)

(Refer Note 3 (J) (II) for accounting policy on contingent liability)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Contingent liabilities and claims against the Company not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	11.15	10.36
Land	47.28	46.27
Demand from Competition Commission of India (Refer Note (b) below)	1,767.74	1,635.46
Sales tax (Refer Note (c) below)	273.28	274.83
Excise customs and service tax (Refer Note (d) below)	254.85	261.58
Stamp duty (Refer Note (e) below)	305.88	305.88
Income tax (Refer Note (f) below)	488.79	465.06
Others	128.17	126.30
Total	3,277.14	3,125.75

Notes:

- a) i) In respect of above matters, 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.

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 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 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 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 ₹ 573.99 crore (31st December 2019 - ₹ 441.71 crore).

Notes to Financial Statements

Note 48 - Contingent Liabilities (to the extent not provided for)

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 2019 - ₹ 247.97 crore, including interest of ₹ 134.45 crore) the Company deposited ₹ 143.52 crore, including interest of ₹ 30.00 crore (31st December 2019 - ₹ 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 Freight On Road (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, ₹ 196.46 crore (31st December 2019 - ₹ 196.52 crore) has been disclosed as contingent liability.

e) Stamp duty includes

A matter wherein 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 2019 - ₹ 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) Income tax includes

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.

In the year 2018, 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), 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.

Pending final legal closure of this matter, income tax amount of ₹ 372.01 crore (31st December 2019 - ₹ 372.01 crore) along with interest payable of ₹ 111.18 crore (31st December 2019 - ₹ 87.45 crore) has been disclosed under contingent liabilities.

Notes to Financial Statements

Note 49 - Share Based Payment

a) 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 for their contribution to the continuing success of the business. These shares will be delivered after three year vesting period following the grant date and are subject to internal performance conditions. 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).

b) During the year 2020, 6,000 (previous year - 6,000) performance share at fair value of ₹ 3,352 (previous year - ₹ 3,405) per share were granted and ₹ 1.00 crore (Previous year – ₹ 0.53 crore) is charged to the statement of Profit and Loss in respect of equity-based payments transactions with a corresponding credit to the capital contribution from parent under other equity.

c) Information related to the Performance share plan granted is presented below (in number)

Particulars	For the year ended 31st December 2020	For the year ended 31st December 2019
Opening Balance as at 1st January	6,000	-
Granted during the year	6,000	6,000
Forfeited during the year	(1,800)	-
Closing balance as at 31st December	10,200	6,000

d) 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	843.89	842.10

Note:

a) For commitments relating to lease arrangements, Refer Note 52.

Note 51 - Employee benefits

(Refer Note 3 (M) 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 (g) below) of statement of profit and loss ₹ 27.91 crore (previous year - ₹ 27.32 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 :

- 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.
- Other non funded plans includes post employment healthcare to certain employees. The Company has discontinued this plan in the previous year.

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.

Notes to Financial Statements

Note 51 - Employee benefits

- 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.
- d) 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	₹ in crore		
	2020	2019	
	Funded	Funded	Non funded
I Expense recognised in the statement of profit and loss			
1 Current service cost	10.35	10.38	0.61
2 Interest cost	8.88	10.05	0.84
3 Past service cost	-	-	(12.47)
4 Interest (income) on plan assets	(8.73)	(10.20)	-
5 Amount recognised in the statement of profit and loss	10.50	10.23	(11.02)
II Re-measurements recognised in other comprehensive Income (OCI)			
1 Demographic change	-	(0.01)	-
2 Change in financial assumptions	10.31	2.19	-
3 Experience changes	3.44	(0.48)	-
4 Return on plan assets (excluding interest income)	(2.66)	(2.44)	-
5 Amount recognised in OCI	11.09	(0.74)	-
III Net asset / (liability) recognised in the balance sheet			
1 Present value of defined benefit obligation	157.37	137.27	-
2 Fair value of plan assets	155.83	128.32	-
3 Funded status [surplus / (deficit)]	(1.54)	(8.95)	-
4 Net asset / (liability)	(1.54)	(8.95)	-
IV Change in defined benefit obligation during the year			
1 Present value of defined benefit obligation at the beginning of the year	137.27	140.50	11.17
2 Current service cost	10.35	10.38	0.61
3 Interest service cost	8.88	10.05	0.84
4 Actuarial (gains) / losses recognised in other comprehensive income			
- Demographic changes	-	(0.01)	-
- Change in financial assumptions	10.31	2.19	-
- Experience changes	3.44	(0.48)	-
5 Benefit payments	(12.88)	(25.35)	(0.15)
6 Curtailment	-	-	(12.47)
7 Net transfer in on account of business combinations / others	-	-	-
8 Present value of defined benefit obligation at the end of the year (Refer Note (i) below)	157.37	137.27	(0.00)

Notes to Financial Statements

Note 51 - Employee benefits

₹ in crore

Particulars	2020	2019	
	Funded	Funded	Non funded
V Change in fair value of assets during the year			
1 Plan assets at the beginning of the year	128.32	135.08	-
2 Interest income	8.73	10.20	-
3 Contribution by employer	29.00	5.80	-
4 Actual benefit paid	(12.88)	(25.21)	-
5 Return on plan assets (excluding interest income)	2.66	2.44	-
6 Plan assets at the end of the year	155.83	128.32	-
VI Weighted average duration of defined benefit obligation	10 years	10 years	NA
VII Maturity profile of defined benefit obligation			
1 Within the next 12 months	17.69	13.71	-
2 Between 1 and 5 years	60.67	56.34	-
3 Between 5 and 10 years	83.52	74.33	-
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	147.53	128.71	-
2 For decrease in discount rate by 100 basis points	168.40	146.34	-
3 For increase in salary rate by 100 basis points	168.21	146.32	NA
4 For decrease in salary rate by 100 basis points	147.51	128.65	NA
5 For increase in medical inflation rate by 100 basis points	NA	NA	-
6 For decrease in medical inflation rate by 100 basis points	NA	NA	-
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 (v) below)	100%	100%	NA

X Expected cash flows

₹ in crore

Particulars	2020	2019
1) Expected employer contribution in the next year	17.69	13.71
2) Expected benefit payments		
Year 1	17.69	13.71
Year 2	15.52	15.44
Year 3	14.47	14.72
Year 4	14.26	12.63
Year 5	16.43	13.55
6 to 10 years	83.51	74.33
Total Expected benefit payments	161.88	144.38

Notes to Financial Statements

Note 51 - Employee benefits

XI Actuarial Assumptions

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
1) Financial Assumptions		
Discount rate (Refer Note (ii) below)	6.25%	6.80%
Salary escalation (Refer Note (iii) below)	7.00%	6.50%
2) Demographic Assumptions		
Expected average remaining working lives of employees	9.92	10.27
Disability rate	5% mortality rates	5% mortality rates
Expected rate of return on plan assets	6.80%	6.80%
Retirement age	58 - 60 years	58 - 60 years
Mortality pre-retirement	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate
Mortality post-retirement	Not Applicable	LIC (1996-98) Annuitants
Turnover rate	Past Service upto 26 years : 5% and above 26 years : 1%	Past Service upto 26 years : 5% and above 26 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. 6.80% to develop the expected long-term return on assets for funded plan of gratuity.
 - v) 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.
- e) Amount recognised as expense in respect of compensated absences is ₹ 12.21 crore (previous year - ₹ 10.45 crore).
- f) The Company expects to make contribution of ₹ 17.69 crore (previous year - ₹ 13.71 crore) to the defined benefit plans during the next year.
- g) **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 and shortfall of ₹ 6.80 crore (previous year - ₹ 7.71 crore) is recognised in the Statement of Profit and Loss. The Company has contributed ₹ 5.53 crore (previous year- ₹ 6.43 crore) towards provident fund liability.

Notes to Financial Statements

Note 51 - Employee benefits

Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
I) Components of expense recognised in the Statement of Profit and Loss		
1 Current service cost	4.88	6.92
2 Interest Cost	13.23	8.66
3 Interest Income	(12.70)	(8.51)
4 Total expenses	5.41	7.07
II) Amount recognised in Balance Sheet		
1 Present value of Defined Benefit Obligation	(148.58)	(153.97)
2 Fair value of plan assets	141.78	146.26
3 Funded status (Surplus / (Deficit))	(6.80)	(7.71)
4 Net asset / (liability) as at end of the year (Refer Note (ii) below)	(6.80)	(7.71)
III) Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	153.97	139.87
2 Current service cost	4.88	6.92
3 Interest cost	13.23	8.66
4 Benefits paid and transfer out	(24.55)	(18.04)
5 Employee Contributions	8.24	10.49
6 Transfer in / (Out) Net	2.09	1.56
7 Actuarial (gains) / losses	(9.28)	4.51
8 Present value of Defined Benefit Obligation at the end of the year	148.58	153.97
IV) Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	146.26	139.27
2 Return on plan assets including interest income	12.70	8.51
3 Contributions by Employer	4.55	6.57
4 Contributions by Employee	8.24	10.49
5 Transfer in / (Out) Net	2.09	1.56
6 Asset Gain / (Loss)	(7.51)	(2.10)
7 Actual benefits paid	(24.55)	(18.05)
8 Plan assets at the end of the year	141.78	146.26
V) Amounts recognised in Other Comprehensive Income at period end		
1 Actuarial (Gain) / Loss on Liability	(9.28)	4.51
2 Actuarial (Gain) / Loss on Plan assets	7.51	2.10
3 Total Actuarial (Gain) / Loss included in OCI	(1.77)	6.61
VI) Weighted Average duration of Defined Benefit Obligation	10.08 years	10 Years
VII) The major categories of plan assets as a percentage of total plan		
1 Special deposits scheme	12%	4%
2 Government Securities	67%	47%
3 Debentures and Bonds	19%	47%
4 Mutual Fund	2%	2%
	100%	100%
VIII) The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:		
1 Discounting rate	6.25%	6.80%
2 Guaranteed interest rate	8.50%	8.65%

IX) Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)

Particulars	₹ in crore	
	As at 31 December 2020	As at 31 December 2019
1 Discount rate (1% increase)	148.14	153.57
2 Discount rate (1% decrease)	149.09	154.47
3 Interest rate guarantee (1% increase)	155.57	161.12
4 Interest rate guarantee (1% decrease)	145.33	150.73

Notes to Financial Statements

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 ₹ 5.00 crore (previous year - ₹ 6.00 crore) to the trust managed Provident Fund in next year.

Note 52 - Leases

(Refer Note 3 (Q) and (X) for accounting policy on leases)

A) Transition Disclosure for Indian Accounting Standard (Ind AS) 116 - "Leases"

The Company has adopted Ind AS 116 effective 1st January 2020, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted with the incremental borrowing rate as of that date. Furthermore, the Company has chosen the option whereby the right-of-use asset is equal to the lease liability at the initial application of Ind AS 116.

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

- i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- ii) Excluded the initial direct costs from the measurement of the Right of Use Assets (ROU) at the date of initial application.
- iii) The Company has relied on its previous assessment on whether leases are onerous. There were no onerous contracts as at 1st January 2020
- iv) The Company has not re-assessed whether a contract is or contains a lease at the date of initial application. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- v) For lease arrangement in respect of ships, the Company has not separated non-lease components from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.
- a) Reconciliation of undiscounted operating lease commitments as of 31st December 2019 to the recognised lease liability as of 1st January 2020.

Particulars	₹ in crore
Operating lease commitments as of 31st December 2019	241.74
Non lease component for ships	201.84
Exemption of commitments for short-term leases	(9.84)
Exemption of commitments for leases of low value assets	(0.28)
Undiscounted future lease payments from operating leases	433.46
Effect of discounting	(89.03)
Total lease liability recognised as of 1st January 2020	344.43

- b) The above approach has resulted in recognition of below category wise right to use assets

Particulars	₹ in crore As at 1st January 2020
Leasehold land	20.28
Building and installation	8.51
Ships and tugs	315.64
Total	344.43

Notes to Financial Statements

Note 52 - Leases

- c) The Company has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments. The Company has reclassified these assets from Property, Plant and Equipment and other non-current assets to Right of Use Assets pursuant to adoption of Ind AS 116.

₹ in crore

Particulars	As at 1st January 2020		
	Gross carrying Value	Accumulated Depreciation	Net carrying value
Property, Plant and Equipment	32.57	1.01	31.56
Other non-current Assets	33.94	-	33.94
Total	66.51	1.01	65.50

- d) The weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of 1st January 2020 is based on the Company's Portfolio of leases. Weighted Average Repayment Maturity (WARM) is calculated for each lease and discount rate is used based on the term of derived for repayment. Below is the range of Incremental Borrowing rate used to calculate the present value of the lease.

	WARM for lease contracts in	
	₹	USD
0 to 2 years	8.35%	4.53%
3 to 4 years	8.35%	4.53%
5 to 6 years	8.44%	4.61%
7 to 8 years	8.66%	4.84%
> 8 years	8.66%	4.84%

B) Disclosure for the year ended 31st December 2020 as per Ind AS 116:

a) Company as lessee

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

- b) The effect of implementing Standard in the Statement of Profit and Loss is as under

₹ in crore

Particulars	For the year ended 31st December, 2020
Decrease in expenses	
Freight and forwarding expense	37.57
Rent expenses (included in other expenses)	3.90
	41.47
Increase in expenses	
Depreciation and amortisation expense	35.04
Finance costs	16.81
Foreign exchange (gain)/loss (included in other expenses)	6.93
	58.78

- c) The Company has a ship lease arrangement for one of its vessel. For the purpose of determining the lease payment it is calculated in USD as per the terms of the contract.
- d) The operating cash outflow for the year ended 31st December 2020 has increased by ₹ 43.07 crore. and the financing cashflows have decreased by ₹ 43.07 crore as repayment of lease liability and interest portion of lease payment. There is no commitment for leases not yet commenced as at 31st December 2020.

Notes to Financial Statements

Note 52 - Leases

- e) The movement in lease liabilities during the year ended 31st December 2020 is as follows :

Particulars	₹ in crore
Balance at the 1st January 2020	344.43
Additions during the year	0.35
Finance cost accrued during the period	16.81
Lease Modification	(0.18)
Payment of lease liabilities	(43.07)
Unrealised loss	6.93
Termination of lease contracts	(0.75)
Balance at December 31, 2020	324.52
Current	27.88
Non-current	296.64
Total	324.52

- f) **Lease Expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:**

Particulars	₹ in crore
	For the year ended 31st December 2020
Expense relating to short-term leases and low-value assets	57.99
Total	57.99

- g) The maturity analysis of lease liabilities are disclosed in Note 56 (C) - Liquidity risk

C) Operating Lease Disclosures under earlier Ind AS 17

Operating lease commitments — Company as lessee

- a) 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 to ₹ 35.55 crore is included in other non current / current assets, as applicable.
- b) Operating lease payment of ₹ 54.50 crore recognised in the Statement of Profit and Loss for the year ended 31st December 2019.
- c) The lease payments recognised in the statement of profit and loss under freight and forwarding expense on finished products for the year ended 31st December 2019 amounts to ₹ 26.99 crore.
- d) **Future minimum rental payables under non-cancellable operating leases are as follows:**

Particulars	₹ in crore
	As at 31.12.2019
Not later than one year	37.28
Later than one year and not later than five years	83.90
Later than five years	120.56
Total	241.74

Notes to Financial Statements

Note 53 - Disclosure pursuant to SEBI (Listing obligations and disclosure requirements) regulations 2015 and Section 186 (4) of the Companies Act 2013:

Particulars	As at 31.12.2020		As at 31.12.2019	
	Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
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)	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 @ 9% p.a. to 12% p.a	1.43	1.43	1.28	1.28
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	0.01	0.01

Notes:

- None of the loanees have made per se investment in the shares of the Company.
- Details of investments made is given in Note 9.
- Outstanding loans as disclosed above do not include interest accrued thereon.

Note 54 - Related party disclosure

I) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
1	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
2	Holderfin B.V, Netherlands	Intermediate Holding Company
3	Holderind Investments Limited, Mauritius	Holding Company
4	ACC Limited	Subsidiary
5	M.G.T. Cements Private Limited	Subsidiary
6	Chemical Limes Mundwa Private Limited	Subsidiary
7	Dang Cement Industries Private Limited, Nepal	Subsidiary
8	Dirk India Private Limited	Subsidiary
9	OneIndia BSC Private Limited	Subsidiary
10	ACC Mineral Resources Limited	Subsidiary of ACC Limited
11	Lucky Minmat Limited	Subsidiary of ACC Limited
12	National Limestone Company Private Limited	Subsidiary of ACC Limited (Ceased to be a subsidiary w.e.f. 18th November 2020)
13	Singhania Minerals Private Limited	Subsidiary of ACC Limited
14	Bulk Cement Corporation (India) Limited	Subsidiary of ACC Limited

Notes to Financial Statements

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
1	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
2	Holcim Technology Limited, Switzerland	Fellow Subsidiary
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	Holcim (Romania) S.A., Romania	Fellow Subsidiary
5	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
6	Holcim (US) Inc	Fellow Subsidiary
7	LafargeHolcim Building Materials (China) Limited	Fellow Subsidiary
8	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
9	Lafarge Africa PLC, Nigeria	Fellow Subsidiary
10	Lafarge Holcim Global Hub Services Private Limited	Fellow Subsidiary
11	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
12	Lafarge Umiam Mining Private Limited	Fellow Subsidiary
13	Holcim (Australia) Pty Ltd	Fellow Subsidiary
14	Counto Microfine Products Private Limited	Joint Venture
15	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
16	Ambuja Cements Limited Employees Gratuity 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
1	Mr. N.S. Sekhsaria	Principal Founder, Non Executive Chairman, Non Independent Director
2	Mr. Jan Jenisch	Vice Chairman, Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director
3	Mr. Martin Kriegner	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director
4	Mr. Christof Hassig	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director
5	Mr. B.L. Taparia	Non Executive Director (upto 29th March 2019)
6	Mr. Nasser Munjee	Non Executive, Independent Director
7	Mr. Rajendra P. Chitale	Non Executive, Independent Director
8	Mr. Shailesh Harihbhakti	Non Executive, Independent Director
9	Dr. Omkar Goswami	Non Executive, Independent Director
10	Mr. Haigreve Khaitan	Independent Director (upto 31st March 2019)
11	Mr. Roland Kohler	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director (upto 10th December 2020)
12	Mr. Ramanathan Muthu	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director (with effect from 23rd December 2020)
13	Ms. Then Hwee Tan	Non Executive, Non Independent Director (with effect from 18th February 2019)
14	Mr. Mahendra Kumar Sharma	Non Executive, Non Independent Director (with effect from 1st April 2019)
15	Ms. Shikha Sharma	Non Executive, Independent Director (with effect from 1st April 2019)
16	Mr. Ranjit Shahani	Non Executive, Non Independent Director (with effect from 1st April 2019)
17	Mr. Praveen Kumar Molri	Non Executive, Non Independent Director (with effect from 1st April 2019)
18	Mr. Ajay Kapur	Managing Director & Chief Executive Officer (upto 28th February 2019)
19	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (with effect from 1st March 2019 to 20th February 2020)
20	Mr. Neeraj Akhoury	Managing Director & Chief Executive Officer (with effect from 21st February 2020)
21	Mr. Suresh Joshi	Chief Financial Officer (upto 30th April 2019)
22	Ms. Sonal Shrivastava	Chief Financial Officer (with effect from 1st May 2019 to 31st August 2020)
23	Ms. Rajani Kesari	Chief Financial Officer (with effect from 1st September 2020)
24	Mr. Rajiv Gandhi	Company Secretary

Notes to Financial Statements

Note 54 - Related party disclosure

II) Transactions with related party

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
A) Transactions with subsidiaries during the year		
1 Purchase of goods		
Dirk India Private Limited	0.09	0.59
ACC Limited	221.10	103.61
	221.19	104.20
2 Sale of goods		
ACC Limited	517.21	115.08
3 Rendering of services		
ACC Limited	33.80	32.52
4 Interest income		
Dirk India Private Limited	4.56	4.55
Chemical Limes Mundwa Private Limited	0.15	0.14
	4.71	4.69
5 Receiving of services		
Dirk India Private Limited	13.62	13.46
ACC Limited	43.91	41.98
OneIndia BSC Private Limited	14.76	22.14
	72.29	77.58
6 Dividend Received		
ACC Limited	131.58	131.58
7 Other recoveries		
ACC Limited	7.33	9.78
8 Other payments		
ACC Limited	8.70	0.14
OneIndia BSC Private Limited	0.71	0.01
	9.41	0.15
9 Inter corporate deposits and loans		
Chemical Limes Mundwa Private Limited	0.15	0.25
M.G.T. Cements Private Limited	-	0.01
	0.15	0.26

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
B) Outstanding balances with subsidiary Companies		
1 Loans / inter corporate deposits given outstanding		
Unsecured, Considered good		
Chemical Limes Mundwa Private Limited	1.43	1.28
M.G.T. Cements Private Limited	0.01	0.01
Unsecured loans which have significant increase in credit risk		
Dirk India Private Limited	37.94	37.94
	39.38	39.23
2 Amount receivable		
Unsecured, considered good		
Chemical Limes Mundwa Private Limited	0.23	0.11
ACC Limited	68.90	44.53
Dirk India Private Limited	-	3.06
Unsecured interest on loans which have significant increase in credit risk		
Dirk India Private Limited	9.22	10.60
	78.35	58.30

Notes to Financial Statements

Note 54 - Related party disclosure

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
3 Amount payable		
Dirk India Private Limited	3.34	7.49
ACC Limited	21.84	28.28
OneIndia BSC Private Limited	1.83	4.04
	27.01	39.81

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
C) Transactions with fellow subsidiaries during the year		
1 Purchase of goods		
LafargeHolcim Energy Solutions S.A.S., France	225.54	282.25
2 Purchase of Fixed Assets		
Holcim (US) Inc	-	97.58
3 Sale of Fixed Assets		
Holcim Services (South Asia) Limited	0.01	-
4 Receiving of services		
Holcim Group Services Limited, Switzerland	0.16	0.25
Holcim Technology Limited, Switzerland	107.86	112.67
Holcim Services (South Asia) Limited	47.04	51.79
Lafarge Holcim Global Hub Services Private Limited	9.69	-
	164.75	164.71
5 Rendering of services		
Holcim Services (South Asia) Limited	2.41	1.60
6 Other recoveries		
LafargeHolcim Energy Solutions S.A.S., France	0.58	0.17
Holcim Technology Limited, Switzerland	1.15	0.44
Holcim Cement (Bangladesh) Limited, Bangladesh	-	0.01
Lafarge Africa PLC, Nigeria	0.01	0.16
Holcim Philippines, Inc., Philippines	0.14	-
Lafarge Umiam Mining Private Limited	0.17	-
Holcim (Australia) Pty Ltd	0.08	-
	2.13	0.78
7 Other payments		
LafargeHolcim Energy Solutions S.A.S., France	3.21	3.97
LafargeHolcim Building Materials (China) Limited	-	0.04
Holcim Technology Limited, Switzerland	0.86	1.99
	4.07	6.00

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
D) Outstanding balances with fellow subsidiary Companies		
1 Amount payable		
Holcim Technology Limited, Switzerland	24.36	30.66
Holcim Services (South Asia) Limited	5.13	22.88
Holcim (Romania) S.A., Romania	-	0.03
Holcim Group Services Limited, Switzerland	-	0.10
LafargeHolcim Energy Solutions S.A.S., France	2.23	30.96
	31.72	84.63

Notes to Financial Statements

Note 54 - Related party disclosure

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
2 Amount receivable		
Holcim Services (South Asia) Limited	2.42	0.67
Holcim Cement (Bangladesh) Limited, Bangladesh	-	0.01
	2.42	0.68

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
E) Transactions with holding company during the year		
1 Dividend paid		
Holderind Investments Limited, Mauritius	2,318.34	187.97

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
F) Transactions with joint ventures during the year		
1 Rendering of services		
Counto Microfine Products Private Limited	3.53	2.62
2 Dividend Received		
Counto Microfine Products Private Limited	2.50	1.66
3 Buy back of shares		
Counto Microfine Products Private Limited	2.25	-
4 Purchase of Goods		
Counto Microfine Products Private Limited	-	0.01

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
G) Outstanding balances with joint ventures		
1 Amount receivable		
Counto Microfine Products Private Limited	-	0.75

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
H) Transactions with Key Management Personnel		
1 Remuneration (Refer Note (a) below)		
Mr. Neeraj Akhoury	6.17	-
Mr. Bimlendra Jha	11.42	6.49
Mr. Ajay Kapur	-	7.19
Mr. Suresh Joshi	-	0.93
Ms. Sonal Shrivastava	1.94	1.30
Ms. Rajani Kesari	1.18	-
Mr. Rajiv Gandhi	1.24	0.98
	21.95	16.89
2 Break-up of remuneration		
Short term employment benefit	21.20	10.57
Post employment benefits	0.44	3.73
Other long term benefits	0.16	2.53
Employee share based payments (Refer Note - 49)	0.15	0.06
	21.95	16.89
3 Commission, sitting fees and advisory fee		

Notes to Financial Statements

Note 54 - Related party disclosure

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Mr. N.S. Sekhsaria	0.56	0.54
Mr. Martin Krieger (Refer Note (e) below)	-	-
Mr. Christof Hassig	0.26	0.22
Mr. Nasser Munjee	0.47	0.42
Mr. Rajendra P. Chitale	0.57	0.54
Mr. Shailesh Haribhakti	0.47	0.43
Dr. Omkar Goswami	0.44	0.41
Mr. Haigreve Khaitan	-	0.10
Mr. Jan Jenisch	0.23	0.22
Mr. Roland Kohler	0.24	0.22
Ms. Then Hwee Tan	0.42	0.35
Mr. Mahendra Kumar Sharma	0.26	0.17
Ms. Shikha Sharma	0.44	0.31
Mr. Ranjit Shahani	0.26	0.18
Mr. Praveen Kumar Molri	0.25	0.17
Mr. B.L. Taparia	-	0.17
Mr. Ramanathan Muthu	0.01	-
Total	26.83	21.34

Notes:

- a) Remuneration does not include:
- Provision for contribution to gratuity fund, leave encashment and other defined benefits which are provided based on actuarial valuation on an overall Company basis.
 - Performance incentive for respective years, pending finalisation. Current year includes performance incentive related to performance of previous year except for Mr. Bamenda Jha who has resigned during the year and his performance incentive has been paid.
- b) Contribution to Abuja 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. The Company makes monthly contribution to a trust specified for this purpose. During the year ended 31st December 2020, the Company has contributed ₹ 4.55 crore (previous year - ₹ 6.57 crore).
- c) Contribution to Abuja 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 ended 31st December 2020, the Company has contributed ₹ 29 crore (previous year - ₹ 5.80 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 Krieger 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.

Notes to Financial Statements

Note 55 - Financial instruments

(Refer Note 3 (H) for accounting policy on fair value measurement)

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 31.12.2020		As at 31.12.2019	
Financial assets					
a) Measured at amortised cost					
Cash and cash equivalents	16	2,642.60	2,642.60	3,858.55	3,858.55
Bank balances other than cash and cash equivalents	17	207.43	207.43	187.20	187.20
Trade Receivables	15	191.51	191.51	513.22	513.22
Loans	11, 18	80.78	80.78	67.41	67.41
Other financial assets	12, 19	616.74	616.74	601.81	601.81
Total financial assets measured at amortised cost		3,739.06	3,739.06	5,228.19	5,228.19
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	74.31	74.31	653.74	653.74
Investment in unquoted equity instruments	10	4.50	4.50	-	-
Total financial assets (a+b)		3,817.87	3,817.87	5,881.93	5,881.93
Financial liabilities					
a) Measured at amortised cost					
Trade payables		880.90	880.90	935.98	935.98
Lease Liabilities	27, 34	324.52	324.52	-	-
Other financial liabilities	27, 34	736.86	736.86	782.57	782.57
Interest free loan from State Government	26	43.60	43.60	35.28	35.28
Total financial liabilities at amortised cost		1,985.88	1,985.88	1,753.83	1,753.83
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	1.04	1.04	0.09	0.09
Total financial liabilities (a+b)		1,986.92	1,986.92	1,753.92	1,753.92

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 2020	For the year ended 31st December 2019
Financial assets measured at amortised cost		
Interest income	202.01	211.05
Impairment losses on trade receivables (including reversals of impairment losses)	13.78	6.08
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	10.82	27.84
Net gain on fair valuation of liquid mutual fund	0.31	2.74
Financial liabilities measured at amortised cost		
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	9.94	1.12
Interest expenses on deposits from dealers	15.34	25.25
Interest expense on lease liability	16.81	-
Financial liabilities measured at fair value through profit or loss		
Net Loss of on foreign currency forward contract	1.02	0.13
Net gain recognised in Statement of Profit and Loss	183.81	221.21

Notes to Financial Statements

Note 55 - Financial instruments

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 summarised below

₹ in crore					
Particulars	Notes	As at 31.12.2020	As at 31.12.2019	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	74.31	653.74	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)	10	4.50	-	3	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	1.04	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.

Notes to Financial Statements

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 summarised 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.

Interest risk exposure

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Interest bearing		
Security deposit from dealers (Refer Note 34)	490.39	506.41
Non-interest bearing		
Current maturities of non-current borrowings (Refer Note 34)	-	5.78
Borrowings - Interest free sales tax loan (Refer Note 26)	43.60	35.28
Total	533.99	547.47
Interest rate sensitivities for unhedged exposure (Refer Note (i) below)		
Security deposit from dealers		
Impact of increase in 100 bps would decrease profit by	4.90	5.06
Impact of decrease in 100 bps would increase profit by	(4.90)	(5.06)

Note:

- i) Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Notes to Financial Statements

Note 56 - Financial risk management objectives and policies

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 31.12.2020		As at 31.12.2019	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other financial liabilities (Unhedged)				
CHF	0.08	-	3.27	0.04
EURO	1.55	0.02	3.24	0.04
GBP	0.05	-	0.22	-
JPY	0.20	0.28	0.27	0.41
SEK	0.34	0.04	0.01	-
SGD	0.01	-	-	-
USD	148.28	2.04	10.97	0.16
Total	150.51		17.98	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports and services (Refer Note (a) below)	167.71	2.26	36.21	0.50

Note:

a) This does not include the firm commitment.

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 31.12.2020		As at 31.12.2019	
	1% strengthening of ₹	1% weakening of ₹	1% strengthening of ₹	1% weakening of ₹
Trade payable and other financial liabilities (Unhedged)				
CHF	-	-	0.03	(0.03)
EURO	0.01	(0.01)	0.03	(0.03)
GBP	-	-	-	-
JPY	-	-	-	-
SEK	-	-	-	-
SGD	-	-	-	-
USD	1.48	(1.48)	0.11	(0.11)
Increase / (Decrease) in profit	1.49	(1.49)	0.17	(0.17)

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, petcoke 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.

Notes to Financial Statements

Note 56 - Financial risk management objectives and policies

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Trade receivables (Refer Note 15)	23.68	9.90
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)	1.04	0.98
Interest receivable from related party (Refer Note 12)	9.22	10.60
Other receivable (Refer Note 19)	12.14	5.70
	60.34	55.22
Total	84.02	65.12

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.

Ageing of trade receivables :

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Up to 6 months	183.26	495.47
More than 6 months	31.93	27.65
Total	215.19	523.12
Impaired	(23.68)	(9.90)
Total	191.51	513.22

Financial assets other than trade receivables

The exposure to the Company arising out of this category consists 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 non-current investments (other than subsidiaries and joint venture) and investments in liquid mutual funds as on 31st December 2020 are ₹ 4.50 crore and ₹ 74.31 crore (31st December 2019 - ₹ Nil and ₹ 653.74 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.

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.

Notes to Financial Statements

Note 56 - Financial risk management objectives and policies

Movement in expected credit loss allowance of trade receivables

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balance at the beginning of the year	9.90	3.82
Add: provided during the year	15.23	7.67
Less : reversal of provisions	1.45	1.59
Balance at the end of the year	23.68	9.90

Expected credit loss provision in respect of financial assets other than trade receivables comprise of loans extended to subsidiary and joint operation of the company

Movement in expected credit loss allowance of financial assets other than trade receivables

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balance at the beginning of the year	55.22	49.43
Add: provided during the year	6.50	5.79
Less : reversal of provisions	1.38	-
Balance at the end of the year	60.34	55.22

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.

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	Carrying amount	Contractual maturities			Total
		Less than 1 year	1 - 5 Years	More than 5 year	
As at 31st December 2020					
Borrowings	43.60	-	49.75	8.47	58.22
Lease Liabilities	324.52	42.56	184.74	184.32	411.62
Trade payables	880.90	880.90	-	-	880.90
Other financial liabilities (Refer Note (a) below)	737.90	737.77	0.13	-	737.90
Total	1,986.92	1,661.23	234.62	192.79	2,088.64
As at 31st December 2019					
Borrowings	41.06	5.86	28.22	21.54	55.62
Trade payables	935.98	935.98	-	-	935.98
Other financial liabilities (Refer Note (a) below)	776.88	776.26	0.62	-	776.88
Total	1,753.92	1,718.10	28.84	21.54	1,768.48

Note:

- a) Other financial liabilities includes deposits received from customers amounting to ₹ 490.39 crore (31st December 2019 - ₹ 506.41 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.

Notes to Financial Statements

Note 57 - Segment reporting

(Refer Note 3 (R) for accounting policy on segment reporting)

A) The principal business of the Company is manufacturing and sale of Cement and Cement Related Products. All other activities of the Company revolve around its principal 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 under IND AS 108 "Operating Segments", i.e. Cement and Cement Related Products.

B) Geographical Information

The Company operates in geographical areas of India (country of domicile) and others (outside India).

₹ in crore

	Revenues from customers		Non-current assets (Refer Note (a) below)	
	For the year ended 31st December 2020	For the year ended 31st December 2019	As at 31st December 2020	As at 31st December 2019
a) Within India	11,174.97	11,352.76	8,644.09	7,917.78
b) Outside India (Refer Note (b) below)	-	-	-	-
Total	11,174.97	11,352.76	8,644.09	7,917.78

Notes:

- 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.
- Company does not have revenue outside India.

C) Information about major customers

During the year ended 31st December 2020 and 31st December 2019, there is no single customer contributes 10% or more to the Company's revenue.

Note 58 - Proposed Amalgamation of a Subsidiary

During the previous year, the Board of Directors has approved the amalgamation of Dirk India Private Limited (DIPL), a wholly owned subsidiary with the Company with effect from 1st January 2020 in terms of the scheme of amalgamation, subject to regulatory approval. During the year, National Company Law Tribunal, Ahmedabad issued an order stating that the required consent was not taken from the shareholders and creditors. The Company has further filed an appeal with the National Company Law Appellate Tribunal (NCLAT). No effect of the proposed amalgamation has been given in the financial statements due to pending of the hearings.

Note 59 - Risk due to outbreak of COVID-19 pandemic

The Company has considered the possible effects that may statement from COVID-19 in the preparation of these financial statement including the recoverability of carrying amounts of financial and non-financial assets. The Company has, at the date of approval of the financial statement, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company financial statements may differ from that estimated as at the date of approval of the same.

Notes to Financial Statements

Note 60 - Code on social Security, 2020

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

Note 61 - The CCI has initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behavior and conducted search and seizure operations in December 2020 against few companies. The Company is in the process of providing information sought. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company believes that this does not have any impact on the financial statement.

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

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Mumbai, 18th February 2021

Independent Auditor's Report

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/ Company") 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 2020, 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 (hereinafter referred to as "the consolidated financial statements"), 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 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence

obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in 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 49(b)(i) & 49(b)(ii) to the consolidated 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 crore 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 vide its order dated 19th January, 2017 had imposed penalty of ₹ 65.16 crore 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.	<p>Litigation, Claims and Contingent Liabilities: (Refer Notes 3M and 49, read along with Emphasis of Matter in Independent Auditor's Report to the consolidated financial statements)</p> <p>The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims.</p> <p>Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.</p> <p>Given the different views, possible basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'; Examined the Group's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. We read the correspondence from Court authorities and considered legal opinion obtained by the Management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the consolidated financial statements. We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions. For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.
2.	<p>Income tax provision: (Refer Notes 3S, 30, 31 and 49 to the consolidated financial statements)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors:</p> <ul style="list-style-type: none"> Existence of multiple uncertain tax positions leading to multiple disputes / litigations Provision for tax involves interpretation of rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies. 	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. Obtained details of completed tax assessments and demands as of December 31, 2020 from the management. We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax 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 information included in 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to 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 seven subsidiaries (which includes four joint operations of a subsidiary) and a joint operation of the Parent, whose financial statements reflect total assets of ₹ 116.19 crores as at 31st December, 2020, total revenues of ₹ 19.88 crores and net cash inflows amounting to ₹ 1.94 crores for the year ended on that date, as considered in the consolidated financial statements. We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 1.97 crores as at the date of sale i.e. November 18, 2020, total revenue of ₹ 2.06 crores and net cash flows amounting to ₹ 0.01 crores upto the date of sale, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 14.44 crores for the year ended 31st December, 2020, 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, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of 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 49 and 50 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's Registration No. 117366W / W-100018)

Saira Nainar
Partner

Place: Mumbai

Date: 18th February, 2021

(Membership No. 040081)

(UDIN: 21040081AAAAAW9239)

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the consolidated financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2020)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st December, 2020, we have audited the internal financial controls over financial reporting of Ambuja Cements Limited (hereinafter referred to as “the Parent / Company”) 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six 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's Registration No. 117366W / W-100018)

Saira Nainar

Partner

Place: Mumbai

(Membership No. 040081)

Date: 18th February, 2021 (UDIN: 21040081AAAAAW9239)

Consolidated Balance Sheet

As at 31st December 2020

Particulars	Notes	₹ in crore	
		As at 31.12.2020	As at 31.12.2019
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	11,885.36	12,605.99
b) Right-of-use-assets	5	503.87	-
c) Capital work-in-progress (Refer Note 4(h))		2,421.85	1,554.43
d) Goodwill	6	7,876.11	7,881.49
e) Other intangible assets	7	220.63	213.86
f) Investments in associates and joint ventures	9	154.60	145.87
g) Financial assets			
i) Investments	10	12.70	3.70
ii) Loans	12	212.28	208.63
iii) Other financial assets	13	1,184.09	841.68
h) Non-current tax assets (net) (Refer Note 32)		1,100.29	1,041.99
i) Deferred tax assets (net)		2.91	4.16
j) Other non-current assets	14	1,341.18	1,361.53
Total - Non-current assets		26,915.87	25,863.33
2 Current assets			
a) Inventories	15	1,648.58	2,096.50
b) Financial assets			
i) Trade receivables	16	561.13	1,068.56
ii) Cash and cash equivalents	17	8,571.56	9,011.88
iii) Bank balances other than cash and cash equivalents	18	364.07	342.67
iv) Loans	19	62.06	32.28
v) Other financial assets	20	346.35	496.62
c) Current tax assets (net)		71.26	-
d) Other current assets	21	1,153.69	1,235.25
		12,778.70	14,283.76
e) Non-current assets classified as held for sale	22	26.13	35.25
Total - Current assets		12,804.83	14,319.01
TOTAL - ASSETS		39,720.70	40,182.34
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	23	397.13	397.13
b) Other equity	26	22,360.47	23,680.86
Equity attributable to owners of the Company		22,757.60	24,077.99
c) Non controlling interest		6,340.89	5,736.76
Total Equity		29,098.49	29,814.75
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	27	43.60	35.28
ii) Other financial liabilities	28	380.75	0.62
b) Provisions	29	271.41	288.82
c) Deferred tax liabilities (net)	30	626.00	936.73
d) Other non-current liabilities	33	40.05	35.83
Total - Non-current liabilities		1,362.81	1,297.28
2 Current liabilities			
a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	34	8.76	12.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,204.65	2,320.51
ii) Other financial liabilities	35	1,794.06	1,719.63
b) Other current liabilities	36	3,910.90	3,658.72
c) Provisions	37	21.14	109.89
d) Current tax liabilities (net) (Refer Note 32)		1,320.89	1,249.19
Total - Current liabilities		9,260.40	9,070.31
Total Liabilities		10,622.21	10,367.59
TOTAL - EQUITY AND LIABILITIES		39,720.70	40,182.34

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLPChartered Accountants
ICAI Firm Registration No. 117366W/W-100018Saira Nainar
Partner
Membership Number: 040081

Mumbai, 18th February 2021

260 Ambuja Cements Limited

For and on behalf of the Board of DirectorsN.S. Sekhsaria
Chairman & Principal Founder
DIN - 00276351Martin Kriegner
Director
DIN - 00077715Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Consolidated Statement of Profit and Loss

For the year ended 31st December 2020

Particulars	Notes	₹ in crore	
		For the year ended 31st December 2020	For the year ended 31st December 2019
1 Income			
a) Revenue from operations	38	24,516.17	27,103.55
b) Other income	39	449.59	580.74
Total Income		24,965.76	27,684.29
2 Expenses			
a) Cost of materials consumed	40	2,532.87	3,231.22
b) Purchase of stock-in-trade	41	334.92	308.82
c) Changes in inventories of finished goods, work-in progress and stock-in-trade	42	256.45	143.64
d) Employee benefits expense	43	1,540.40	1,570.75
e) Finance costs	44	140.22	169.87
f) Depreciation and amortisation expense	45	1,161.78	1,152.52
g) Power and fuel		4,827.64	5,722.19
h) Freight and forwarding expense	46	6,271.54	7,127.97
i) Other expenses	47	3,768.92	4,410.44
		20,834.74	23,837.42
j) Self consumption of cement		(22.14)	(8.47)
Total Expenses		20,812.60	23,828.95
3 Profit before share of profit of joint ventures and associates, exceptional items and tax expense (1-2)		4,153.16	3,855.34
4 Share of profit in joint ventures and associates		14.44	19.97
5 Profit before exceptional items and tax expense (3+4)		4,167.60	3,875.31
6 Exceptional items (Refer Note 4(j))		176.01	-
7 Profit before tax (5-6)		3,991.59	3,875.31
8 Tax expense	31		
a) Current tax - charge		1,200.42	1,264.70
b) Deferred tax - (credit)		(315.67)	(172.55)
		884.75	1,092.15
9 Profit for the year (7-8)		3,106.84	2,783.16
10 Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
a) Remeasurement gains / (losses) on defined benefit plans		(15.39)	(82.78)
b) Share of remeasurement gains / (losses) on defined benefit plans of joint ventures and associates		(0.05)	0.18
Tax adjustment on above		(6.18)	28.92
Total other comprehensive income		(21.62)	(53.68)
11 Total comprehensive income for the year (9+10)		3,085.22	2,729.48
12 Profit for the year attributable to			
Owners of the Company		2,365.44	2,095.00
Non-controlling interest		741.40	688.16
13 Other comprehensive income attributable to			
Owners of the Company		(14.34)	(29.09)
Non-controlling interest		(7.28)	(24.59)
14 Total comprehensive income attributable to			
Owners of the Company		2,351.10	2,065.91
Non-controlling interest		734.12	663.57
15 Earnings per share of ₹ 2 each - in ₹	48		
Basic		11.91	10.55
Diluted		11.91	10.55

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

Rajani Kesari
Chief Financial Officer

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

Saira Nainar
Partner
Membership Number: 040081

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Mumbai, 18th February 2021

Consolidated Statement of Changes in Equity

For the year ended 31st December 2020

Particulars	Notes						As at	As at		
							31.12.2020	31.12.2019		
A) Equity share capital	23						397.13	397.13		
Opening Balance								397.13		
Changes during the year							-	-		
Closing balance							397.13	397.13		
₹ in crore										
Particulars	Reserves and surplus (Refer Note 26)							Total		
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidiaries	Capital contribution from parent	Retained earnings		Total other equity attributable to owners of the Company	Non controlling interest
B) Other equity										
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 64)	-	-	-	-	-	0.85	-	0.85	0.31	1.16
Equity dividend paid for the year 2018 (Refer Note 25)	-	-	-	-	-	-	(297.85)	(297.85)	(131.32)	(429.17)
Dividend distribution tax on above (Refer Note 25)	-	-	-	-	-	-	(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
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
Profit for the year	-	-	-	-	-	-	2,365.44	2,365.44	741.40	3,106.84
Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	(14.34)	(14.34)	(7.28)	(21.62)
Total comprehensive income for the year	-	-	-	-	-	-	2,351.10	2,351.10	734.12	3,085.22
Share based payment (Refer Note 64)	-	-	-	-	-	2.33	-	2.33	1.33	3.66
Equity dividend paid for the year 2019 (Refer Note 25)	-	-	-	-	-	-	(297.85)	(297.85)	(131.32)	(429.17)
Interim dividend paid for the year 2020 (Refer Note 25)	-	-	-	-	-	-	(3,375.60)	(3,375.60)	-	(3,375.60)
Tax on distributed income paid by joint venture	-	-	-	-	-	-	(0.37)	(0.37)	-	(0.37)
Balance as at 31st December 2020	130.71	12,471.16	5,814.49	9.93	5.02	3.18	3,925.98	22,360.47	6,340.89	28,701.36

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLPChartered Accountants
ICAI Firm Registration No. 117366W/W-100018**For and on behalf of the Board of Directors**

Rajani Kesari Chief Financial Officer	N.S. Sekhsaria Chairman & Principal Founder DIN - 00276351	Rajendra P. Chitale Chairman - Audit Committee DIN - 00015986
---	---	--

Rajiv Gandhi Company Secretary	Martin Kriegner Director DIN - 00077715
--	--

Saira Nainar Partner Membership Number: 040081	Neeraj Akhouri Managing Director & Chief Executive Officer DIN - 07419090
---	---

Mumbai, 18th February 2021

Consolidated Cash Flow Statement

For the year ended 31st December 2020

₹ in crore

Particulars	Notes	For the year ended 31st December 2020	For the year ended 31st December 2019
A) Cash flows from operating activities			
Profit before tax		3,991.59	3,875.31
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	45	1,161.78	1,152.52
Exceptional item (Refer Note 4(j))		176.01	-
Expected credit loss on non current financial assets		128.92	-
(Gain) / Loss on property, plant and equipment sold, discarded and written off (net)		32.86	(16.92)
Loss on buy back of shares of joint venture		0.26	-
Gain on sale of current financial assets measured at fair value through profit and loss	39	(26.65)	(49.48)
Gain on sale of investment in subsidiary Company		(12.91)	-
Net gain on fair valuation of liquid mutual fund measured at fair value through profit and loss	39	(0.47)	(3.17)
Finance costs	44	140.22	169.87
Interest income		(401.42)	(500.43)
Provision for slow and non moving spares		25.39	10.04
Impairment loss recognised under Expected Credit Loss (ECL) Model		51.48	27.59
Discounting income on interest free loan		(3.25)	-
Unrealised exchange (gain) / loss (net)		8.29	0.33
Fair value movement in derivative instruments		1.30	0.13
Interest on income tax written back (Refer Note 32)		(5.77)	(27.49)
Provisions no longer required written back	38	(11.86)	(13.33)
Compensation Expenses under Employees Stock Options Scheme		3.66	1.16
Inventories written off		1.66	11.50
Bad debts, sundry debit balances and claims written off / written back (net)		1.07	0.08
Unrealised share of profit in associates and joint ventures		(14.44)	(19.97)
Other non cash items		(2.41)	(0.32)
Operating profit before working capital changes		5,245.31	4,617.42
Changes in Working Capital			
Adjustments for Decrease / (Increase) in operating assets			
Decrease / (Increase) in Trade receivables, loans & advances and other assets	12-14, 16, 19-21	244.50	(251.94)
Decrease / (Increase) in Inventories	15	420.49	839.85
Adjustments for Increase / (Decrease) in operating liabilities			
Increase / (Decrease) in Trade payables, other liabilities and provisions	27-29, 33-37	92.24	63.24
		757.23	651.15
Cash generated from operations		6,002.54	5,268.57
Direct taxes paid (net of refunds) (Refer Note (1) below)		(1,170.17)	(529.87)
Net cash flow from operating activities (A)		4,832.37	4,738.70
B) Cash flows from investing activities			
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)		(1,733.65)	(1,667.43)
Proceeds from sale of property, plant and equipment		8.33	60.39
Inter corporate deposits and loans given to joint ventures		(0.02)	-
Proceeds from sale of investment in Subsidiary Company		20.00	-
Proceeds from buyback of shares of joint venture		2.24	-
Payment received against loans given to joint venture		-	0.12
Gain on sale of current financial assets measured at fair value through profit and loss		26.65	49.48
Investments in bank deposits (having original maturity of more than 3 months and upto 12 months)		(15,438.05)	(6,784.73)
Redemption of bank deposits (having original maturity of more than 3 months and upto 12 months)		15,423.65	6,780.96
Investments in bank deposits (having original maturity of more than 12 months)		(31.65)	(33.18)
Redemption in bank deposits (having original maturity of more than 12 months)		20.42	5.87
Purchase of non current investment		(9.00)	-
Investment in certificate of deposits		(750.00)	(600.00)
Redemption of certificate of deposits		750.00	600.00
Dividend received from joint venture and associates		2.79	3.35
Interest received		390.98	392.29
Net cash used in investing activities (B)		(1,317.31)	(1,192.88)

Consolidated Cash Flow Statement

For the year ended 31st December 2020

₹ in crore

Particulars	Notes	For the year ended 31st December 2020	For the year ended 31st December 2019
C) Cash flows from financing activities			
Proceeds from non-current borrowings		8.47	-
Repayment of current maturity of non-current borrowing		(5.86)	-
Interest paid		(86.40)	(113.04)
Repayment of lease liability		(41.05)	-
Interest portion of lease repayment	44	(26.61)	-
Net movement in earmarked balances with banks		(8.84)	1.06
Dividend paid on equity shares		(3,664.61)	(297.85)
Dividend paid to Non-controlling Interest		(131.32)	(131.32)
Dividend distribution tax paid		-	(88.22)
Net cash used in financing activities (C)		(3,956.22)	(629.37)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		(441.16)	2,916.45
Cash and cash equivalents			
Cash and cash equivalents at the end of the year (Refer Note 17)		8,571.56	9,011.88
Cash and cash equivalents related to entity held for sale		0.47	0.85
Transfer on sale of investment in subsidiary		0.01	-
Adjustment for fair value gain on liquid mutual funds measured through profit and loss		(0.47)	(3.17)
		8,571.57	9,009.56
Cash and cash equivalents at the beginning of the year (Refer Note 17)		9,011.88	6,093.11
Cash and cash equivalents related to entity held for sale at the beginning of the year		0.85	-
		9,012.73	6,093.11
Net increase / (decrease) in cash and cash equivalents		(441.16)	2,916.45

Notes:

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 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".
- Changes in liabilities arising from financing activities:

₹ in crore

Particulars	As at 31st December 2019	Cash flow changes		Non-cash flow changes		As at 31st December 2020
		Receipts	Payments	Unwinding charges	Other changes	
Non-current borrowings (Refer Note 27)	35.28	8.47	-	3.10	(3.25)	43.60
Current maturities of non-current borrowings (Refer Note 35)	5.78	-	(5.86)	0.08	-	-
Total	41.06	8.47	(5.86)	3.18	(3.25)	43.60

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

Rajani Kesari
Chief Financial Officer

Saira Nainar
Partner
Membership Number: 040081

Rajiv Gandhi
Company Secretary

Mumbai, 18th February 2021

For and on behalf of the Board of Directors

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

Martin Kriegner
Director
DIN - 00077715

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Notes to Consolidated Financial Statements

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 Multilateral Trading Facility (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 18th February 2021.

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 note 3 (L) for accounting policy on 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.
- V. Employee share based payments measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except change in accounting policy on Leases as disclosed in note 53.

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 11.
- 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.

Notes to Consolidated Financial Statements

- 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
- 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.
 - 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.
 - 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:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary,
 - Derecognises the carrying amount of any non-controlling interest,
 - Derecognises the cumulative translation differences recorded in equity,
 - Recognises the fair value of the consideration received,
 - 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,
 - Recognises any surplus or deficit in the consolidated statement of profit and loss,
 - 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

- Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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

Notes to Consolidated Financial Statements

in the cost of the respective asset if the recognition criteria for provisions 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.
- V. The Group has applied Ind AS 116 "Leases" with effect from 1st January 2020.

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 mining 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. 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

Notes to Consolidated Financial Statements

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 are, 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 (upto 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. In cases, 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:

Notes to Consolidated Financial Statements

- 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 Other Comprehensive Income (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 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 are 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.

Notes to Consolidated Financial Statements

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 3 (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.

Notes to Consolidated Financial Statements

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, incentives 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 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. Financial assets at amortised cost

A financial asset 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.

Notes to Consolidated Financial Statements

Financial assets at amortised cost 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 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. Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair

Notes to Consolidated Financial Statements

value is positive and as financial liabilities when the fair value is negative.

The Group does not hold derivative financial instruments for speculative purposes.

e. 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.

f. 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 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from 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.

Notes to Consolidated Financial Statements

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, lease liabilities 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.

Notes to Consolidated Financial Statements

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 recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and 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.

Notes to Consolidated Financial Statements

Contract balances

Trade Receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a group's right to consideration that is conditional on something other than the passage of time.

Contract Liabilities

Contract liability 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. 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.

Notes to Consolidated Financial Statements

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:

- 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 is 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.

Notes to Consolidated Financial Statements

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.

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

T. Leases

I. Accounting policy effective 1st January 2020

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

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

- a. the contract involves the use of identified asset;
- b. the Group has substantially all of the economic benefits from the use of the asset through the period of lease and;

Notes to Consolidated Financial Statements

- c. the Group has the right to direct the use of the asset.

Group as a lessee:

Right-of-use assets

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

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

Right of use assets	Average (Range) lease terms (in years)
Buildings	2-30
Land	5-99
Ships and tugs	5-13
Furniture, vehicle and tools	5
Plant and Equipment	6

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

Lease liabilities

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

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

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

The lease term comprises the non-cancellable lease term together with the period covered by extension

options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. For lease arrangement in respect of ships, the non-lease components are not separated from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

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

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

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

ROU asset have been separately presented in the Consolidated Balance Sheet, whereas lease liability have been included under "other financial liabilities" in Consolidated Balance sheet and lease payments have been classified as financing cash flows.

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

Short-term leases and leases of low-value assets

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

Group as a lessor:

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

Notes to Consolidated Financial Statements

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

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 the Group will comply with all the conditions attached to them and there is a 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. Exceptional items

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

AA. Use of estimates and judgments

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

Notes to Consolidated Financial Statements

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 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.

IV. Leases Ind AS 116

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In

evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

BB. New Accounting Pronouncements

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

I. Adoption of Ind AS 116 Leases

The Group has adopted Ind AS 116 effective 1st January 2020, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted using the incremental borrowing rate as at the date of initial application.

Further, the application of Ind AS 116 did not have any significant impact on the consolidated financial statements and EPS for the year ended 31st December 2020. Information regarding the financial impacts of the initial application of Ind AS 116 is outlined in note 53.

II. Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Group has used in tax computation or plan to use in their income tax filings. The Group has carried out an assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

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

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

CC. Recent Accounting Developments

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

Notes to Consolidated Financial Statements

Note 4 - Property, plant and equipment
(Refer Note 3 (A) and 3 (B) for accounting policy on property, plant and equipment)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (e) below)			
	As at 31st December 2019	Additions	Held for Sale	Deductions/ Transfers	As at 31st December 2020	Charge for the year (Refer Note (f) below)	Held for Sale	Impairment losses recognised in profit or loss	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2019	
Freehold non-mining land	512.60	50.74	-	0.10	563.24	0.06	-	-	-	0.08	563.16	512.54
Freehold mining land	1,112.41	25.45	-	0.04	1,137.82	54.74	-	-	-	85.88	1,051.94	1,057.67
Leasehold mining land	200.84	0.33	-	-	201.17	3.19	-	-	-	5.25	195.92	197.65
Leasehold non-mining land (Refer Note (k) below)	71.98	0.10	-	72.08	-	2.87	-	-	2.87	-	-	69.11
Buildings, roads and water works (Refer Note (a) below)	3,280.62	84.22	-	12.06	3,352.78	622.85	157.79	29.27	8.05	801.86	2,550.92	2,657.77
Plant and equipment (owned) (Refer Note (b) below)	11,207.37	424.61	-	90.16	11,541.82	3,611.32	815.72	116.75	54.58	4,489.21	7,052.61	7,596.05
Furniture and fixtures	54.62	5.78	-	0.86	59.54	27.66	5.63	0.27	0.57	32.99	26.55	26.96
Vehicles	207.61	25.99	-	5.14	228.46	80.91	27.22	10.14	3.32	114.95	113.51	126.70
Office equipment	137.85	9.99	-	1.94	145.90	94.92	19.36	0.53	1.85	112.96	32.94	42.93
Marine structures (Refer Note (c) below)	24.37	-	-	-	24.37	14.31	3.00	-	-	17.31	7.06	10.06
Railway sidings and locomotives (Refer Note (d) below)	307.95	16.47	-	-	324.42	95.66	25.65	1.43	-	122.74	201.68	212.29
Ships	126.54	-	-	-	126.54	30.28	7.19	-	-	37.47	89.07	96.26
Total	17,244.76	643.68	-	182.38	17,706.06	4,638.77	1,094.78	158.39	71.24	5,820.70	11,885.36	12,605.99

₹ in crore

Notes to Consolidated Financial Statements

Note 4 - Property, plant and equipment

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	Charge for the year (Refer Note (f) below)	Held for Sale	Deductions / Transfers	As at 31st December 2019	As at 31st December 2018	
Freehold non-mining land	512.08	4.71	4.19	-	512.60	0.04	-	-	0.06	512.54	512.04
Freehold mining land	1,081.97	47.17	16.73	-	1,112.41	31.58	-	-	54.74	1,057.67	1,050.39
Leasehold mining land	25.64	175.20	-	-	200.84	1.31	-	-	3.19	197.65	24.33
Leasehold non-mining land	71.98	-	-	-	71.98	1.97	-	-	2.87	69.11	70.01
Buildings, roads and water works (Refer Note (a) below)	3,153.81	135.84	0.53	8.50	3,280.62	469.26	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	-	32.32	3,611.32	7,596.05	7,741.98
Furniture and fixtures	50.91	5.36	-	1.65	54.62	23.20	-	1.46	27.66	26.96	27.71
Vehicles	167.68	44.32	-	4.39	207.61	56.25	-	2.68	80.91	126.70	111.43
Office equipment	122.85	18.70	-	3.70	137.85	77.09	-	3.35	94.92	42.93	45.76
Marine structures (Refer Note (c) below)	24.37	-	-	-	24.37	11.25	-	-	14.31	10.06	13.12
Railway sidings and locomotives (Refer Note (d) below)	302.04	5.91	-	-	307.95	70.77	-	-	95.66	212.29	231.27
Ships	126.80	-	-	0.26	126.54	22.91	-	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	0.05	47.64	4,638.77	12,605.99	12,616.48

Includes:

- Premises in co-operative societies, on ownership basis of ₹ 63.42 crore (31st December 2019 - ₹ 84.50 crore) and ₹ 7.73 crore (31st December 2019 - ₹ 6.31 crore) being accumulated depreciation thereon.
- ₹ 19.48 crore (31st December 2019 - ₹ 19.92 crore) being cost of roads constructed by the Group, the ownership of which vests with the government / local authorities and ₹ 16.87 crore (31st December 2019 - ₹ 15.11 crore) being accumulated depreciation thereon.
- ₹ 73.47 crore (31st December 2019 - ₹ 73.54 crore) being cost of power lines incurred by the Group, the ownership of which vests with the state electricity boards and ₹ 11.17 crore (31st December 2019 - ₹ 8.88 crore) being accumulated depreciation thereon.
- Cost incurred by the Group, the ownership of which vests with the state maritime boards.
- ₹ 11.75 crore (31st December 2019 - ₹ 11.75 crore) being cost of railway sidings incurred by the Group, the ownership of which vests with the railway authorities and ₹ 5.90 crore (31st December 2019 - ₹ 4.96 crore) being accumulated depreciation thereon.
- As per the website of the Ministry of Corporate Affairs, certain charges aggregating ₹ 23.42 crore (31st December 2019 - ₹ 23.42 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. Subsequent to balance sheet date, on the 5th February 2021 charges for ₹ 1 crore included above have been satisfied.
- ₹ 5.18 crore (31st December 2019 - ₹ 1.25 crore) capitalised during construction for projects (Refer Note 8)
- The title deeds of immovable properties are held in the name of the Group except for 1 case (31st December 2019 - 1 case) of Right of use Assets (31st December 2019 leasehold land) amounting to net block of ₹ 2.04 crore (31st December 2019 - ₹ 2.10 crore), 14 cases (31st December 2019 - 14 cases) of freehold land amounting to net block of ₹ 2.67 crore (31st December 2019 - ₹ 2.67 crore) and 2 cases (31st December 2019 - 2 cases) of Buildings amounting to net block of ₹ 5.39 crore (31st December 2019 - ₹ 5.76 crore), respectively for which title deeds are in the name of subsidiary and erstwhile Companies, merged with the Group.
- Capital work in progress as at 31st December 2020 is ₹ 2,421.85 crore (31st December 2019 - ₹ 1,554.43 crore). Refer Note 8 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.
- For contractual commitment with respect to property, plant and equipment Refer Note 51.
- Considering lower profitability due to higher input cost, ACC Limited a subsidiary of the Company has suspended part of its operations at Madukkarai plant. The Group has carried out a review of the recoverable amount of the tangible assets and capital work in progress used in cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work in progress at Madukkarai plant is assessed to be lower than its carrying amount and consequently an impairment loss of ₹ 176.01 crore (including Capital work in progress ₹ 17.62 crore) has been recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value is 9.55 per cent per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4 per cent per annum is applied beyond the forecast period.
- Upon implementation of Ind AS 116 - Leases from 1st January 2020, all leasehold non-mining land, identified under the earlier Ind AS 17 amounting ₹ 69.17 crore (net block) have been reclassified as Right of use assets. Also Refer Note 53 A(c).

Notes to Consolidated Financial Statements

Note 5 - Right-of-use-assets**(Refer Note 3 (T) and (BB) for accounting policy on leases)**

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value	
	As at 1st January 2020 (Refer Note (a) below)	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Additions	Deductions / Transfers	As at 31st December 2020	Charge for the year	As at 31st December 2020	As at 31st December 2020
Leasehold land (Refer Note 4 (g), (k) and 53 A(c))	89.97	105.98	6.93	5.07	197.81	15.17	0.85	180.62
Building and installation	13.54	-	0.35	1.15	12.74	3.21	0.18	9.71
Plant and Equipment	56.45	-	1.27	18.37	39.35	12.80	2.51	29.06
Ships and tugs	315.64	-	-	-	315.64	31.44	-	284.20
Furniture, vehicle and tools	0.44	-	-	-	0.44	0.16	-	0.28
Total	476.04	105.98	8.55	24.59	565.98	62.78	3.54	503.87

Note:

a) Refer Note 53 on adoption of Ind AS 116 "Leases"

Note 6 - Goodwill**(Refer Note 3 (H) for accounting policy on goodwill)**

Particulars	Gross Carrying Value			Accumulated Amortisation			Net Carrying Value	
	As at 31st December 2019	As at 31st December 2020	Additions	Deductions / Transfers	As at 31st December 2020	Charge for the year	As at 31st December 2020	As at 31st December 2019
Goodwill (Refer Note (a), (b) below and 63(a))	8,117.12	8,111.74	-	5.38	8,111.74	-	-	7,876.11
Total	8,117.12	8,111.74	-	5.38	8,111.74	-	235.63	7,881.49

Particulars	Gross Carrying Value			Accumulated Amortisation			Net Carrying Value	
	As at 31st December 2018	As at 31st December 2019	Additions	Deductions / Transfers	As at 31st December 2019	Charge for the year	As at 31st December 2019	As at 31st December 2018
Goodwill (Refer Note (a) & (b) below)	8,117.12	8,117.12	-	-	8,117.12	-	-	7,881.49
Total	8,117.12	8,117.12	-	-	8,117.12	-	235.63	7,881.49

Note:

a) Pertains to goodwill on consolidation ₹ 7,876.11 crore (31st December 2019 - ₹ 7,881.49 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.

Notes to Consolidated Financial Statements

Note 7 - Other intangible assets

(Refer Note 3 (C) and 3 (D) for accounting policy on intangible assets)

Particulars	Gross Carrying Value			Accumulated Amortisation			Net Carrying Value		
	As at 31st December 2019	Additions	Deductions / Transfers	As at 31st December 2020	As at 31st December 2019	Charge for the year	Deductions / Transfers	As at 31st December 2020	As at 31st December 2019
Mining Rights	231.51	14.59	-	246.10	19.05	8.84	0.22	27.67	218.43
Water drawing rights	0.33	-	-	0.33	0.11	0.02	-	0.13	0.20
Computer software	4.28	1.85	0.79	5.34	3.10	0.54	0.30	3.34	2.00
Total	236.12	16.44	0.79	251.77	22.26	9.40	0.52	31.14	220.63

₹ 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 2018
Mining rights	149.70	81.81	-	231.51	13.27	5.78	-	19.05	136.43
Water drawing rights	0.33	-	-	0.33	0.09	0.02	-	0.11	0.24
Computer software	3.48	0.80	-	4.28	2.18	0.92	-	3.10	1.30
Total	153.51	82.61	-	236.12	15.54	6.72	-	22.26	137.97

₹ in crore

Notes to Consolidated Financial Statements

Note 8 - 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balance at the beginning of the year included in capital work-in-progress	77.33	33.15
Add: Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	46.27	25.73
Depreciation and amortisation expense (Refer Note 4 (f))	5.18	1.25
Other expenses (Refer Note (b) below)	41.52	18.20
	170.30	78.53
Less: Capitalised during the year	5.25	1.00
Balance at the end of the year included in capital work-in-progress	165.05	77.33

Notes:

- 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.
- 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 9 - Investment in associates and joint ventures

(Refer Note 3 (I) for accounting policy on investment in associates and joint ventures)

Particulars	Face value (in ₹)	As at 31.12.2020		As at 31.12.2019	
		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	18.66
Asian Concretes and Cements Private Limited	10	8,100,000	92.92	8,100,000	84.32
Total (A)			111.58		102.98
B) Investments in joint ventures					
Unquoted					
In fully paid equity shares					
Aakaash Manufacturing Company Private Limited	10	4,401	12.57	4,401	11.93
Counto Microfine Products Private Limited (During the year 675,677 shares were bought back)	10	7,644,045	30.45	8,319,722	30.96
Total (B)			43.02		42.89
Total (A + B)			154.60		145.87

Notes to Consolidated Financial Statements

Note 10 - Non-current investments

Particulars	Face value (in ₹)	As at 31.12.2020		As at 31.12.2019	
		No of shares	₹ in crore	No of shares	₹ in crore
A) Investments carried at amortised cost					
Unquoted					
Government and trust securities					
National Savings Certificate ₹ 36,500 (31st December 2019 - ₹ 36,500), deposited with government department as security. (Refer Note (b) 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
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	-
Amplus Green Power Private Limited (Refer Note (c) below)	10	5,157,184	9.00	-	-
Total (B)			9.00		-
Total (A + B)			12.70		3.70
Total (9+10)			167.30		149.57
Aggregate value of unquoted investments			167.30		149.57

Notes:

- Refer Note 55 for information about fair value measurement and Note 56 for credit risk and market risk of investments.
- Denotes amount less than ₹ 50,000.
- During the year, the Company and its subsidiary, ACC Limited (ACC) has subscribed 2,578,592 equity shares each in Amplus Green Power Private Limited (AGPPL) representing 11.25% holding for a total consideration of ₹ 9.00 crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Dadri's plant and ACC's Tikaria would be one of the consumer.

Notes to Consolidated Financial Statements

Note 11 - 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 31.12.2020	As at 31.12.2019
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 (Refer Note (b) below)	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 (Refer Note 63(a))	Cement and cement related products	India	NA	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%
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%

Notes:

- The financial statements of the above companies are drawn upto the same reporting date as that of the Group.
- The Group's investment in equity shares of OneIndia BSC Private Limited (BSC), engaged in business shared services, is ₹ 5.00 crore (31st December 2019 ₹ 5.00 crore). The service agreement was for a period of 5 years ending 31st December 2020, the same is not renewed. Accordingly, the financial statements of BSC for the year ended 31st December 2020 have not been prepared on a "Going Concern" basis. BSC is currently not under liquidation. The Group believes that investment in BSC is recoverable and no impairment is necessary considering positive net worth of ₹ 13.09 crore and net current assets ₹ 9.59 crore as at 31st December 2020.

Notes to Consolidated Financial Statements

Note 12 - Non-current loans

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Security deposit	199.83	194.06
Loans to employees	8.53	10.67
Loans and advances	3.92	3.90
	212.28	208.63
Unsecured loans which have significant increase in credit risk		
Loans and advances	28.03	27.97
Less: allowances for doubtful loans / deposits	28.03	27.97
	-	-
Total	212.28	208.63

Notes:

- 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.
- No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- Refer Note 56 (B) for information about credit risk of loans.

Note 13 - Other non-current financial assets

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Incentives receivable under Government schemes (Refer Note 56 (B))	1,088.53	775.64
Bank deposits with more than 12 months maturity (Refer Note (a) below)	82.13	54.60
Margin money deposit with more than 12 months maturity (Refer Note (b) below)	8.25	7.62
Others (includes interest accrued on fixed deposits)	5.18	3.82
Total	1,184.09	841.68

Notes:

- These include fixed deposits of ₹ 41.84 crore (31st December 2019 - ₹ 24.15 crore) given as security against bank guarantees and other deposits ₹ 40.04 crore (31st December 2019 - ₹ 30.19 crore) given as security to regulatory authorities.
- Margin money deposit is against bank guarantees given to government authorities.
- Refer Note 56 (B) for information about credit risk of other financial assets.

Notes to Consolidated Financial Statements

Note 14 - Other non-current assets

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Capital advances	604.99	442.23
Advances other than capital advances		
Deposit against government dues / liabilities	458.27	457.64
Prepayments under leases	0.33	34.24
Advances recoverable other than in cash	48.35	43.11
Other claims receivable from Governments	229.24	384.31
	1,341.18	1,361.53
Unsecured, considered doubtful		
Capital advances	5.83	6.59
Advances recoverable other than in cash	0.89	6.74
Incentives receivable under government incentive schemes and other receivables	36.05	36.05
Deposit against government dues / liabilities	3.33	3.33
	46.10	52.71
Less: allowances for doubtful receivables	46.10	52.71
	-	-
Total	1,341.18	1,361.53

Notes:

- No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.
- Refer Note 56 (B) for information about credit risk of other receivables.

Note 15 - Inventories

At lower of cost and net realisable value (Refer Note 3 (F) for accounting policy on inventories)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Raw materials (including in transit - ₹ 2.80 crore; 31st December 2019 - ₹ 9.51 crore)	176.82	172.87
Work-in-progress	351.76	452.05
Finished goods	183.29	335.72
Captive coal	19.87	31.26
Stock in trade (in respect of goods acquired for trading) - ₹ 4.37 crore; 31st December 2019 - ₹ 0.49 crore	16.66	9.36
Stores & spares (including in transit - ₹ 16.91 crore; 31st December 2019 - ₹ 21.06 crore)	453.68	536.86
Coal and fuel (including in transit - ₹ 10.94 crore; 31st December 2019 - ₹ 35.77 crore)	395.86	521.41
Packing materials	50.64	36.97
Total	1,648.58	2,096.50

Notes:

- 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 ₹ 25.34 crore (31st December 2019 - ₹ 10.04 crore).
- No inventories have been pledged as security for liabilities.

Notes to Consolidated Financial Statements

Note 16 - Trade receivables

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Secured, considered good	91.67	220.72
Unsecured, considered good	469.46	848.25
Unsecured which have significant increase in credit risk	91.40	51.03
	652.53	1,120.00
Less: Allowance for doubtful trade receivables	91.40	51.44
Total	561.13	1,068.56

Notes:

- No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.
- Refer Note 54 for receivables from related parties.
- Refer Note 56 (B) for information about credit risk of trade receivables.

Note 17 - Cash and cash equivalents

(Refer Note 3 (V) for accounting policy on cash and cash equivalents)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balances with banks		
In current accounts	173.12	60.80
Deposit with original maturity upto 3 months	7,258.49	5,760.08
Cheques on hand (Refer Note (a) below)	-	36.71
Cash on hand	-	0.05
Deposit with other than banks with original maturity of upto 3 months	450.00	500.00
Post office saving accounts	0.01	0.01
Investments in liquid mutual funds measured at FVTPL	689.94	1,411.25
Investments in Certificates of deposit with original maturity of less than 3 months	-	1,242.98
Total	8,571.56	9,011.88

Notes:

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

Note 18 - Bank balances other than cash and cash equivalents

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Earmarked balances with banks (Refer Note (a) below)	60.78	54.64
Margin money deposit (Refer Note (b) below)	-	2.44
Fixed deposit with banks (original maturity more than 3 months and upto 12 months) (Refer Note (c) below)	303.29	285.59
Total	364.07	342.67

Notes:

- 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.
- Margin money deposit is against bank guarantees given to Government authorities.
- Including fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 257.05 crore including interest there on (31st December 2019 - ₹ 244.84 crore), (Refer Note 49(b)(i)) and other deposits amounting ₹ 25.00 crore (31st December 2019 - ₹ 25.00 crore) given as security against bank guarantees to regulatory authorities and ₹ 20.77 crore (31st December 2019 - ₹ 15.47 crore) to others.

Notes to Consolidated Financial Statements

Note 19 - Current loans

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Security deposits	53.21	23.48
Others (includes loans to employees)	8.85	8.80
Total	62.06	32.28

Notes:

- a) No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- b) Refer Note 56 (B) for information about credit risk of loans.

Note 20 - Other current financial assets

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Incentives receivable under government incentive schemes	289.16	407.95
Interest accrued on fixed deposit, certificate of deposits and others	5.43	18.94
Interest accrued on investment	8.29	10.16
Deposits with banks with original maturity of more than 12 months (Refer Note (a) below)	1.08	18.00
Other receivables	42.39	41.57
	346.35	496.62
Unsecured which have significant increase in credit risk		
Other receivables	12.14	5.70
Less : Allowance for doubtful other receivable	12.14	5.70
	-	-
Total	346.35	496.62

Notes:

- a) Fixed deposits of ₹ Nil (31st December 2019 - ₹ 10.00 crore) given as security against bank guarantees and other deposit ₹ 1.08 crore (31st December 2019 - ₹ 8.00 crore) given as security to regulatory authorities.
- b) Refer Note 56 (B) for information about credit risk of other financials assets.

Note 21 - Other current assets

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	399.39	595.05
Balances with statutory / government authorities	633.82	536.29
Prepaid expenses	82.97	54.84
Prepayments under leases	-	1.31
Others	37.51	47.76
	1,153.69	1,235.25
Unsecured, which have significant increase in credit risk		
Other receivables	17.88	17.88
Less: Allowance for doubtful receivables	17.88	17.88
	-	-
Total	1,153.69	1,235.25

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 56 (B) for information about credit risk of other receivables.

Notes to Consolidated Financial Statements

Note 22 - Non-current assets classified as held for sale

(Refer Note 3 (Q) for accounting policy on Non-current assets held for sale)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Subsidiary assets held for sale (Refer Note (a) below)	23.22	24.78
Plant and equipment (Refer Note (b) and (c) below)	1.76	5.36
Building (Refer Note (b) and (c) below)	1.15	5.11
Total	26.13	35.25

Notes:

- 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 its assets have been classified as held for sale.
- 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.
- During the year, the Group has reclassified certain Building of ₹ 3.96 crore and plant and equipment of ₹ 3.01 crore.

Note 23 - Equity share capital

(Refer Note 3 (L) (II) (a) for accounting policy on equity instruments)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Authorised		
40,000,000,000 (31st December 2019 - 40,000,000,000) Equity shares of ₹ 2 each	8,000.00	8,000.00
150,000,000 (31st December 2019 - 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 2019 - 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 2019 - 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 31.12.2020		As at 31.12.2019	
	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.

Notes to Consolidated Financial Statements

Note 23 - Equity share capital

c) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

Particulars	As at 31.12.2020	As at 31.12.2019
Holderind Investments Limited, Mauritius - holding company (a subsidiary of LafargeHolcim Limited, Switzerland, the ultimate holding company) 1,253,156,361 (31st December 2019 - 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 31.12.2020		As at 31.12.2019	
	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 2019 - 186,690) and 139,830 (31st December 2019 - 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 24 - 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 27 represents Interest Free Loan from State Government. The Group is not subject to any externally imposed capital requirements.

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Total debt (including current maturities of borrowings) (Refer Notes 27 and 35)	43.60	41.06
Less: Cash and cash equivalents (Refer Note 17)	8,571.56	9,011.88
Net debt	(8,527.96)	(8,970.82)
Total equity	29,098.49	29,814.75
Net Debt to Equity	Nil	Nil

Notes to Consolidated Financial Statements

Note 25 - Dividend distribution made and proposed

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
A) Cash dividends on equity shares declared and paid		
i) Final dividend for the year ended 31st December 2019 ₹ Nil per share (31st December 2018 - ₹ 1.50 per share)	-	297.85
ii) Dividend distribution tax on final dividend	-	34.18
iii) Interim dividend for the year ended 31st December 2019 ₹ 1.50 per share (31st December 2018 - ₹ Nil per share) (Refer Note (c) below)	297.85	-
iv) Interim dividend for the year ended 31st December 2020 ₹ 17 per share	3,375.60	-
Total	3,673.45	332.03
B) Proposed dividend on equity shares		
i) Final dividend for the year ended 31st December 2020 ₹ 1 per share (31st December 2019 - ₹ 1.50 per share) (Refer Note (a) and (c) below)	198.56	297.85
Total	198.56	297.85

Notes:

- Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.
- 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.
- Due to COVID-19 pandemic there was a delay in conducting AGM and consequent delay in payment of final dividend. The Board of Directors revoked the recommendation for payment of final dividend for the year ended 31st December 2019 and declared an interim dividend for the financial year ended 31st December 2019 at ₹ 1.50 per share in the Board Meeting held on 12th May 2020.

Note 26 - Other Equity

(Refer Statement of Changes in Equity for detailed movement in other equity balances)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
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	3.18	0.85
g) Retained earnings	3,925.98	5,248.70
Total	22,360.47	23,680.86

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 utilised 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.

Notes to Consolidated Financial Statements

Note 26 - Other equity

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.

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 27 - Non-current borrowings

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Secured		
Interest free loan from State Government (Refer Notes (a) and (b) below)	43.60	35.28
Total	43.60	35.28

Notes:

- 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 ₹ 3.25 crore (previous year - ₹ Nil) was recognised as an income.
- Interest free loans from State Government, secured by bank guarantees (majorly backed by pledge of bank fixed deposits) and each loan repayable in single installment, starting from August 2022 to January 2027 of varying amounts ranging from ₹ 3.59 crore to ₹ 13.39 crore. During the year the Company has paid one of the installment of ₹ 5.86 crore which was due in February 2020. Next installment is due in August 2022.

Note 28 - Other non-current financial liabilities

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities and 3 (T) for accounting policy on leases)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Liability for capital expenditure	0.13	0.62
Lease Liability (Refer Note 53)	380.62	-
Total	380.75	0.62

Notes to Consolidated Financial Statements

Note 29 - Non-current provisions

(Refer Note 3 (M) (I) and 3 (P) for accounting policy on provisions and retirement and other employee benefits)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
For employee benefits		
Provision for gratuity and other staff benefit schemes (Refer Note 52)	177.96	217.21
Long service award and other benefit plans	5.77	4.49
Others		
Provision for mines reclamation expenses (Refer Note (a) below)	87.68	67.12
Total	271.41	288.82

Note:

- a) Mines reclamation expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Opening Balance	67.12	54.42
Add: Provision / (reversal) during the year (net)	17.91	11.68
	85.03	66.10
Add: Unwinding of discount	2.84	2.96
Less: Utilisation during the year	0.19	1.94
Closing Balance	87.68	67.12

Note 30 - Deferred tax liabilities (net)

(Refer Note 3 (S) (II) for accounting policy on deferred tax)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Deferred tax liabilities, on account of		
Depreciation and amortisation	1,022.69	1,360.95
Undistributed profits of subsidiaries, joint venture and associates	55.88	70.33
	1,078.57	1,431.28
Deferred tax assets, on account of		
Provision for employee benefits	61.09	113.73
Provision for slow and non-moving spares	20.23	18.61
Expenditure debited in consolidated statement of profit and loss but allowed for tax purposes in the following years	132.13	153.00
Others	239.12	209.21
	452.57	494.55
Deferred tax liabilities (net)	626.00	936.73

Notes to Consolidated Financial Statements

Note 30 - Deferred tax liabilities (net)

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

₹ in crore					
Particulars	As at 31st December 2019	Charge / (Credit) to consolidated statement of profit and loss	Charge / (Credit) to Other Comprehensive Income	MAT credit utilised	As at 31st December 2020
Deferred tax liabilities, on account of					
Depreciation and amortisation	1,360.95	(338.26)	-	-	1,022.69
Undistributed profits of subsidiaries, joint venture and associates	70.33	(14.45)	-	-	55.88
	1,431.28	(352.71)	-	-	1,078.57
Deferred tax assets, on account of					
Provision for employee benefits	113.73	(46.46)	(6.18)	-	61.09
Provision for slow and non moving spares	18.61	1.62	-	-	20.23
Expenditure debited in consolidated statement of profit and loss but allowed for tax purposes in the following years	153.00	(20.87)	-	-	132.13
Others	209.21	29.91	-	-	239.12
	494.55	(35.80)	(6.18)	-	452.57
Deferred tax liabilities / (assets) (net)	936.73	(316.91)	6.18	-	626.00
Deferred tax assets (net)	4.16	(1.25)	-	-	2.91

₹ in crore					
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
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 (b) 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

Notes:

- The Group has not recognised deferred tax liability on undistributed earnings in subsidiaries to the extent of ₹ 11,408.00 crore (31st December 2019 - ₹ 10,202.55 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.
- In the previous year, MAT credit utilised is net of MAT credit entitlement of ₹ 34.72 crore increased on account of tax adjustments for earlier years.
- The Group has long term capital losses and business losses including unabsorbed depreciation of ₹ 36.10 crore (31st December 2019 - ₹ 39.13 crore) for which no deferred tax assets have been recognised. A part of these losses will expire between financial years 2020-21 to 2027-28.

Notes to Consolidated Financial Statements

Note 31 - Reconciliation of tax expenses and effective tax rate

Particulars	For the year ended 31st December 2020		For the year ended 31st December 2019	
	₹ in crore	In %	₹ in crore	In %
Profit before share of profit of associates and joint ventures and tax expenses	3,977.15		3,855.34	
Tax expenses at statutory income tax rate (Refer note (a) below)	1,048.77	26.37%	1,220.92	31.67%
Effect of tax exempt income	-	-	(0.59)	-0.02%
Effect of non deductible expenses	31.55	0.79%	50.27	1.30%
Effect of allowances / tax holidays for tax purpose	(15.75)	-0.40%	(64.77)	-1.68%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	(189.61)	-4.76%	(108.03)	-2.79%
Effect of change in tax rate on Deferred Tax	(2.87)	-0.07%	(5.40)	-0.14%
Effect of undistributed profits of subsidiary and joint venture	(19.69)	-0.50%	1.49	0.04%
Others	32.35	0.82%	(1.74)	-0.05%
Tax Expenses at the Effective Income Tax Rate	884.75	22.25%	1,092.15	28.33%
Tax expense reported in consolidated statement of profit or loss	884.75	22.25%	1,092.15	28.33%

Notes:

- Group follows calendar 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.
- 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 previous year ended 31st December 2019.

ACC Limited, a subsidiary of the Company has adopted the reduced rate and accordingly, opening net deferred tax liability as on 1st January 2020 amounting to ₹ 179.57 crore has been reversed (net of reversal of deferred tax assets of ₹ 10.04 crore in Other Comprehensive Income) during the year ended 31st December 2020.

Note 32 - Recognition of tax adjustments for Order Giving Effect received

On receipt of Order Giving Effect (OGE) to the CIT(A) order for certain assessment years, the Group has recognised interest income on income tax refund and reversal of provision for interest on income tax, aggregating ₹ 85.57 crore (previous year ₹ 409.24 crore) during the year ended 31st December 2020. However, considering the uncertainty of its ultimate realisation, the Group has also made a provision of ₹ 61.84 crore (previous year ₹ 258.18 crore), resulting in recognition of net income of ₹ 23.73 crore (previous year ₹ 150.98 crore) in other income during the year ended 31st December 2020.

Note 33 - Other non current liabilities

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Rebate to customers	40.05	35.83
Total	40.05	35.83

Notes to Consolidated Financial Statements

Note 34 - Total outstanding dues of micro and small enterprises

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
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	8.71	12.36
Interest	0.05	0.01
	8.76	12.37
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	16.35	26.26
Interest	0.08	0.31
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	0.01	-
d) The amount of interest accrued and remaining unpaid at the end of the year	0.06	0.01
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 35 - Other current financial liabilities

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Financial Liabilities at amortised cost		
Security deposit and retention money	1,292.30	1,217.98
Liability for capital expenditure	204.34	243.33
Unpaid dividends (Refer Note (a) below)	58.28	51.87
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile and ACRL	2.50	2.50
Current portion of lease liability (Refer Note 53)	46.38	-
Current maturities of borrowings	-	5.78
Others (includes interest on security deposits)	188.94	198.08
Financial Liabilities at fair value		
Foreign currency forward contract	1.32	0.09
Total	1,794.06	1,719.63

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.

Notes to Consolidated Financial Statements

Note 36 - Other current liabilities

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Contract liability (Refer Note (a) below)		
Advance received from customers	279.14	235.95
Other liability		
Statutory dues	1,110.93	1,065.15
Rebates to customers	919.43	913.21
Other payables (includes interest on income tax)	1,601.40	1,444.41
Total	3,910.90	3,658.72

Note:

- a) The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2020.

Note 37 - Current provisions

(Refer Note 3 (P) for accounting policy on retirement and other employee benefits)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Provision for gratuity and staff benefit schemes (Refer Note 52)	8.86	10.67
Long service award and other benefit plans	0.90	0.86
Provision for compensated absences (Refer Note (a) below)	11.38	98.36
Total	21.14	109.89

Note:

- a) During the year, the Company has funded liability towards provision for compensated absences to the extent of ₹ 70 crore.

Note 38 - Revenue from operations

(Refer Note 3 (O) (I) for accounting policy on revenue recognition and 3 (W) for accounting policy on government grants and subsidies)

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Revenue from contracts with customers		
Sale of Manufactured products	23,557.86	25,972.11
Sale of Traded products	526.44	560.77
Income from services rendered	9.56	5.74
	24,093.86	26,538.62
Other operating revenues		
Provisions no longer required written back	11.86	13.33
Sale of scrap	74.05	73.64
Incentives and subsidies (Refer Note (f) below)	210.23	382.47
Miscellaneous income (Refer Note (f) below) (includes insurance claims and others)	126.17	95.49
Total	24,516.17	27,103.55

Notes to Consolidated Financial Statements

Note 38 - Revenue from operations

Notes:

a) Reconciliation of revenue as per contract price and as recognised in consolidated statement of profit and loss:

₹ in crore

Particulars	For the year ended 31st December 2020	For the year ended 31st December 2019
Revenue as per contract price	27,222.16	29,955.21
Less: Discounts and incentives	3,128.30	3,416.59
Revenue as per consolidated statement of profit and loss	24,093.86	26,538.62

b) The amounts receivable from customers become due after expiry of credit period which on an average is 30 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".

f) Government grants

₹ in crore

Particulars	For the year ended 31st December 2020	For the year ended 31st December 2019
Recognised in consolidated statement of profit and loss		
Incentives and subsidies (Refer Note (g) below)	210.23	382.47
Discounting income on interest free loan from State Government included in miscellaneous income	3.25	-
Total	213.48	382.47

g) 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)

₹ in crore

Particulars	For the year ended 31st December 2020	For the year ended 31st December 2019
Interest income on		
Bank deposits - effective interest rate method	372.09	365.88
Income tax refund (Refer Note 32)	18.41	123.58
Defined benefit obligation (net) (Refer Note 52)	-	0.15
Others	11.06	10.96
	401.56	500.57
Other non operating income:		
Gain on sale of current financial assets measured at FVTPL	26.65	49.48
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	0.47	3.17
Interest on income tax write back (Refer Note 32)	5.77	27.50
Gain on sale of investment in Subsidiary Company	12.91	-
Others	2.23	0.02
Total	449.59	580.74

Note:

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

Notes to Consolidated Financial Statements

Note 40 - Cost of materials consumed

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Inventories at the beginning of the year	172.87	258.74
Add: Purchases during the year	2,536.82	3,145.35
	2,709.69	3,404.09
Less: Inventories at the end of the year	176.82	172.87
Cost of materials consumed (Refer Note (a) below)	2,532.87	3,231.22
Notes:		
a) Break-up of cost of materials consumed		
Fly ash	756.86	883.22
Gypsum	462.74	583.42
Slag	288.05	357.16
Others (Refer Note (b) below)	1,025.22	1,407.42
Total	2,532.87	3,231.22

b) Includes no item which in value individually accounts for 10% or more of the total value of materials consumed.

Note 41 - Purchases of stock-in-trade

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Cement	289.73	273.03
Ready mix concrete	3.52	1.45
Allied products	41.67	34.34
Total	334.92	308.82

Note 42 - Change in inventories of finished goods, work-in-progress and stock-in trade

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Inventories at the end of the year		
Work-in-progress	351.76	452.05
Finished goods	183.29	335.72
Stock-in-trade	16.66	9.36
Captive coal	19.87	31.26
	571.58	828.39
Inventories at the beginning 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	31.26	7.32
	828.39	972.03
Less: Transfer on sale of Subsidiary Company	0.36	-
	828.03	972.03
(Increase) / decrease in inventories	256.45	143.64

Notes to Consolidated Financial Statements

Note 43 - Employee benefit expense

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Salaries and wages (Refer Note (a) below)	1,348.77	1,373.45
Contribution to provident and other funds	114.55	98.45
Employee stock option expenses (Refer Note 64)	3.66	1.16
Staff welfare expenses	73.42	97.69
Total	1,540.40	1,570.75

Note:

- a) ACC Limited, a subsidiary has salaries and wages expense for the year ended 31st December 2020 include ₹ 20.52 crore (previous year - ₹ Nil) on account of charge for Employee Separation Scheme.

Note 44 - Finance costs

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Interest on		
Income tax (net of interest income on refund - ₹ 61.84 crore; previous year - ₹ 81.00 crore) (Refer Note 32)	22.86	37.96
Defined benefit obligation (net) (Refer Note 52)	14.49	7.99
Security deposit	32.48	58.70
Others	37.75	60.87
Unwinding of financial liabilities	3.19	1.39
Unwinding of interest on lease liability (Refer Note (a) below)	26.61	-
Unwinding of mines reclamation provision (Refer Note 29)	2.84	2.96
Total	140.22	169.87

Note:

- a) On adoption of Ind AS 116 Leases, the Group has recognised Right of use assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

Note 45 - Depreciation and amortisation expense

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Depreciation on property, plant and equipment (Refer Note 4)	1,094.78	1,147.05
Less: Pre-operative charge during the year (Refer Note 8)	5.18	1.25
	1,089.60	1,145.80
Depreciation on Right to use assets (Refer Note 5)	62.78	-
Amortisation of intangible assets (Refer Note 7)	9.40	6.72
Total	1,161.78	1,152.52

Note 46 - Freight and forwarding expense

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
On finished products	5,082.52	5,940.10
On internal material transfer	1,189.02	1,187.87
Total	6,271.54	7,127.97

Notes to Consolidated Financial Statements

Note 47 - Other expenses

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Royalty on minerals	471.15	533.70
Consumption of stores and spare parts	450.71	642.39
Consumption of packing materials	731.45	842.41
Repairs	279.98	374.49
Rent (Refer Note 53)	136.62	188.68
Rates and taxes	169.83	218.56
Insurance	51.68	44.14
Technology and know-how fees	240.65	264.97
Advertisement	120.51	197.05
Corporate Social Responsibility	52.31	60.98
Exchange loss (net)	11.68	0.18
Expected credit loss on Incentives under Government schemes (Refer Note - 56 (B))	128.92	-
Impairment losses on financial assets (including reversals of impairment losses)	37.34	21.51
Miscellaneous expenses (Refer Note (a) below)	886.09	1,021.38
Total	3,768.92	4,410.44

Note:

a) Miscellaneous expenses:

- Does not include any item of expenditure with a value of more than 1% of Revenue from operations.
- Includes expenses towards information technology, traveling, consultancy, site restoration, outsource services and others.
- Includes ₹ 32.33 crore (previous year ₹ 25.07 crore) towards corporate social responsibility expenses of ACC Limited, a subsidiary Company.

Note 48 - Earnings per share (EPS)

(Refer Note 3 (X) for accounting policy on earnings per share)

- 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.
- 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.
- Calculation of the basic and diluted EPS:

Particulars	For the year ended 31st December 2020	For the year ended 31st December 2019
i) Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	2,365.44	2,095.00
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	315,403	315,467
iii) Weighted average number of shares for diluted EPS	1,985,960,632	1,985,960,696
iv) Earnings per equity share (in ₹)		
Face value of equity per share	2.00	2.00
Basic	11.91	10.55
Diluted	11.91	10.55

Notes to Consolidated Financial Statements

Note 49 - Contingent liabilities (to the extent not provided for)

(Refer Note 3 (M) (II) for accounting policy on contingent liability)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Contingent liabilities and claims against the group not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	11.15	10.36
Land	50.68	49.67
Demand from Competition Commission of India (Refer Note (b) below)	3,517.59	3,254.85
Sales tax (Refer Note (c) below)	303.45	305.00
Excise customs and service tax (Refer Note (d) below)	376.80	383.81
Stamp duty (Refer Note (e) below)	305.88	305.88
Income tax (Refer Note (g) below)	1,093.23	1,063.07
Royalty on Limestone (Refer Note 62)	7.93	28.79
Claims for mining lease rent (Refer Note (f) below)	212.22	212.22
Others	189.94	185.97
Total	6,068.87	5,799.62

Notes:

- a) i) In respect of above matters, 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 on the Company and ₹ 1,147.59 crore on its subsidiary ACC Limited, aggregating to ₹ 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 on the Company and ₹ 1,147.59 crore on ACC Limited, aggregating to ₹ 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 on the Company and ₹ 35.32 crore on ACC Limited, aggregating to ₹ 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 ₹ 1,140.93 crore (31st December 2019 - ₹ 878.19 crore).

Notes to Consolidated Financial Statements

Note 49 - Contingent liabilities (to the extent not provided for)

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 2019 - ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company deposited ₹ 143.52 crore, including interest of ₹ 30 crore (31st December 2019 - ₹ 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 Freight On Road (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, ₹ 287.44 crore (31st December 2019 - ₹ 287.40 crore) has been disclosed as contingent liability.

e) Stamp duty includes:

A matter wherein 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 2019 - ₹ 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 includes:

ACC Limited, a subsidiary of the Company, 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 ₹ 138.76 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 under 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.

g) Income tax includes:

The Company and its subsidiary, ACC Limited, (ACC) were 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. 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 the Income Tax Tribunal (ITAT). Considering unfavourable orders by the Income tax department the Group up to 31st December 2017 had classified the risk for these matters as probable and provided for the same.

Notes to Consolidated Financial Statements

Note 49 - Contingent liabilities (to the extent not provided for)

In the year 2018, the CIT-A decided the matter in favour of both the Companies 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 Group again reviewed the matter and, after considering the legal merits of the Group'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 Group's appeal by the CIT (A), as mentioned above, the Group reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

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

Pending final legal closure of this matter, income tax amount of ₹ 872.64 crore (31st December 2019 - ₹ 872.64 crore) along with interest payable of ₹ 214.99 crore (31st December 2019 - ₹ 184.82 crore) has been disclosed under contingent liabilities.

Note 50 - Material demands and disputes relating to assets and liabilities reported by 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.

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 disbursements were made (except an amount of ₹ 7 crore representing part of the One Time Lumpsum capital subsidy claim of ₹ 15 crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the 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.

Notes to Consolidated Financial Statements

Note 50 - Material demands and disputes relating to assets and liabilities reported by subsidiary as "remote"

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 2019 - ₹ 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 2019 - ₹ 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 2019 - ₹ 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 is of the view and has been advised legally, that the merits are strongly in its favour.
- 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 51 - Capital and other commitments

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,918.15	1,303.07
Total	1,918.15	1,303.07

Note:

- a) For commitments relating to lease arrangements, Refer Note 53.

Notes to Consolidated Financial Statements

Note 52 - 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 43 "contribution to provident and other funds" (including contribution to provident fund trust referred in note (g) below) of the consolidated statement of profit and loss ₹ 44.97 crore (previous year - ₹ 45.48 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) 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 and additional gratuity. The Company has discontinued this plan in the previous year, whereas its subsidiary, ACC Limited has discontinued in the current year.
- iii) Every employee who has joined ACC Limited, a subsidiary before 1st December 2005 and separates from service of the Group on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded. This plan is discontinued with effect from 30th April 2020 for all the eligible employees of management category and benefits accrued is disbursed to the 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) 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	2020		2019	
	Funded	Non funded	Funded	Non funded
I Expense recognised in the consolidated statement of profit and loss				
1 Current service Cost	25.51	9.47	23.77	10.24
2 Interest cost	21.93	7.45	9.90	9.11
3 Interest (income) on plan assets	(19.77)	-	(10.20)	-
4 Loss on curtailment	-	1.48	-	-
5 Past service cost	-	(9.31)	-	(12.34)
6 Amount recognized in the consolidated statement of profit and loss	27.67	9.09	23.47	7.01

₹ in crore

Notes to Consolidated Financial Statements

Note 52 - Employee benefits

Particulars	2020		2019	
	Funded	Non funded	Funded	Non funded
₹ in crore				
II Re-measurements recognised in consolidated other comprehensive income (OCI)				
1 Demographic changes	(0.29)	-	(0.02)	-
2 Change in financial assumptions	18.17	4.71	11.04	6.67
3 Experience changes	3.43	(6.54)	8.53	1.20
4 Return on plan assets (excluding interest income)	(6.78)	-	(8.17)	-
5 Amount recognised in OCI	14.53	(1.83)	11.38	7.87
III Net asset / (liability) recognised in the consolidated balance sheet				
1 Present value of defined benefit obligation	379.27	104.72	341.02	126.32
2 Fair value of plan assets	370.12	-	302.45	-
3 Funded status[surplus/(deficit)]	(9.15)	(104.72)	(38.57)	(126.32)
4 Net asset/(liability)	(9.15)	(104.72)	(38.57)	(126.32)
IV Change in defined benefit obligation during the year				
1 Present value of defined benefit obligation at the beginning of the year	341.02	126.52	322.40	127.41
2 Current service cost	25.51	9.47	23.77	9.85
3 Interest service cost	21.93	8.05	22.82	9.12
4 Past service cost	-	1.48	-	-
5 Actuarial (gains)/losses recognised in consolidated other comprehensive income:				
- Demographic changes	(0.29)	-	(0.02)	(0.01)
- Change in financial assumptions	18.17	4.71	11.04	6.70
- Experience Changes	3.43	(6.54)	8.53	1.54
6 Benefit payments	(30.50)	(29.66)	(47.51)	(15.62)
7 Curtailment	-	-	-	(12.47)
8 Net transfer in on account of business combinations / others	-	-	-	-
9 Present value of defined benefit obligation at the end of the year	379.27	104.72	341.02	126.52
V Change in fair value of assets during the year				
1 Plan assets at the beginning of the year	302.45	-	308.53	-
2 Interest income	19.77	-	23.12	-
3 Contribution by employer	54.00	-	6.60	-
4 Actual benefit paid	(12.88)	-	(43.98)	-
5 Return on plan assets (excluding interest income)	6.78	-	8.17	-
6 Plan assets at the end of the year	370.12	-	302.45	-
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	45.29	7.56	37.25	10.41
2 Between 1 and 5 years	159.48	38.15	149.43	47.57
3 Between 5 and 10 years	161.82	40.33	152.20	52.63
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	354.85	95.31	319.20	116.22
2 For decrease in discount rate by 100 basis points	407.37	112.48	365.22	135.96
3 For increase in salary rate by 100 basis points	406.50	111.44	365.02	125.88
4 For decrease in salary rate by 100 basis points	354.87	95.48	319.05	107.76
5 For increase in medical inflation rate by 100 basis points	-	-	-	9.48
6 For decrease in medical inflation rate by 100 basis points	-	-	-	8.85

Notes to Consolidated Financial Statements

Note 52 - Employee benefits

₹ in crore

Particulars	2020		2019	
	Funded	Non funded	Funded	Non funded
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 (iv) below)	100%	NA	100%	NA

X Expected cash flows

₹ in crore

Particulars	2020		2019	
	Funded	Non funded	Funded	Non funded
1) Expected employer contribution in the next year	17.69	0.00	13.71	0.00
2) Expected benefit payments				
Year 1	45.29	7.49	37.25	10.39
Year 2	43.38	9.03	38.42	10.83
Year 3	39.03	9.50	39.59	11.69
Year 4	39.13	9.02	35.08	12.91
Year 5	37.95	10.40	36.34	11.92
6 to 10 years	161.81	39.90	152.20	52.18
Total Expected benefit payments	366.59	85.34	338.88	109.92

XI Actuarial assumptions

₹ in crore

Particulars	As at 31.12.2020	As at 31.12.2019
1) Financial Assumptions		
Discount rate (Refer Note (ii) below)	6.25%	6.80%
Salary escalation (Refer Note (iii) below)	7.00%	6.50%
2) Demographic Assumptions		
Expected average remaining working lives of employees	10.00	10.27
Disability rate	5% mortality rates	5% mortality rates
Retirement age	58 - 60 years	58 - 60 years
Mortality pre-retirement	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate
Mortality post-retirement	Not Applicable	LIC (1996-98) Annuitants
Turnover rate	Past Service upto 26 years : 5% and above 26 years : 1%	Past Service upto 26 years : 5% and above 26 years : 1%

Notes:

- 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.
- 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.
- 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.
- 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.

Notes to Consolidated Financial Statements

Note 52 - Employee benefits

- e) Amount recognised as expense in respect of compensated absences is ₹ 29.73 crore (previous year - ₹ 28.51 crore).
- f) The Group expects to make contribution of ₹ 17.69 crore (previous year - ₹ 13.71 crore) to the defined benefit plans during the next year.

g) 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.

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 ₹ 73.11 crore (previous year - ₹ 62.96 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 and ₹ 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 previous 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.

Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
I Components of expense recognised in the Consolidated Statement of Profit and Loss		
1 Current service cost	32.03	32.56
2 Interest Cost	16.99	8.66
3 Interest Income	(12.70)	(8.51)
4 Total expenses	36.32	32.71
II Amount recognised in Consolidated Balance Sheet		
1 Present value of Defined Benefit Obligation	(997.16)	(974.61)
2 Fair value of plan assets	924.05	911.65
3 Funded status {Surplus/(Deficit)}	(73.11)	(62.96)
4 Net asset/(liability) as at end of the year ((Refer Note (ii) given below)	(73.11)	(62.96)
III Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	974.61	869.55
2 Current service cost	32.03	32.56
3 Interest cost	84.11	71.32
4 Benefits paid and transfer out	(179.29)	(100.39)
5 Employee Contributions	82.16	73.81
6 Transfer in / (Out) Net	13.75	10.54
7 Actuarial (gains) / losses	(10.21)	17.22
8 Present value of Defined Benefit Obligation at the end of the year	997.16	974.61
IV Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	911.65	868.92
2 Return on plan assets including interest income	79.82	71.17
3 Contributions by Employer	28.86	32.21
4 Contributions by Employee	82.16	73.81
5 Transfer in / (Out) Net	13.75	10.54
6 Asset Gain /(Loss)	(12.90)	(44.61)
7 Actual benefits paid	(179.29)	(100.39)
8 Plan assets at the end of the year	924.05	911.65

Notes to Consolidated Financial Statements

Note 52 - Employee benefits

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
V Amounts recognised in Other Comprehensive Income at period end		
Actuarial (Gain) / Loss on Liability	(10.21)	17.23
Actuarial (Gain) / Loss on Plan assets	12.90	44.59
Total Actuarial (Gain) / Loss included in OCI	2.69	61.82
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	2%	1%
2 Government Securities	58%	32%
3 Debentures and Bonds	11%	64%
4 Cash and Cash equivalent	19%	-
5 Mutual Fund	10%	3%
	100%	100%
VIII The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:		
1 Discounting rate	6.25%	6.80%
2 Guaranteed interest rate	8.50%	8.65%

IX Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
1 Discount rate (1% movement)	992.27	971.78
2 Discount rate (1% decrease)	1,002.97	976.56
3 Interest rate guarantee (1% movement)	1,060.69	1,023.96
4 Interest rate guarantee (1% decrease)	964.54	952.19

Notes:

- 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.
- In respect of Provident Fund, only liability is recognised in Consolidated Balance Sheet. Surplus is not recognised in Consolidated Balance Sheet.
- The Group expects to contribute ₹ 30.00 crore (previous year - ₹ 33.00 crore) to the trust managed Provident Fund in next year.

Note 53 - Leases

(Refer Note 3 (T) and (AA) for accounting policy on leases)

A) Transition Disclosure for Indian Accounting Standard (Ind AS) 116 - "Leases"

The Group has adopted Ind AS 116 effective 1st January 2020, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted with the incremental borrowing rate as of that date. Furthermore, the Group has chosen the option whereby the right-of-use asset is equal to the lease liability at the initial application of Ind AS 116.

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

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Excluded the initial direct costs from the measurement of the Right of Use Assets (ROU) at the date of initial application.
- The Group has relied on its previous assessment on whether leases are onerous. There were no onerous contracts as at 1st January 2020.
- The Group has not re-assessed whether a contract is or contains a lease at the date of initial application. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Notes to Consolidated Financial Statements

Note 53 - Leases

- v) For lease arrangement in respect of ships, the Group has not separated non-lease components from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.
- a) Reconciliation of undiscounted operating lease commitments as of 31st December 2019 to the recognised lease liability as of 1st January 2020.

Particulars	₹ in crore
Operating lease commitments as of 31st December 2019	419.26
Non lease component for ships	201.84
Exemption of commitments for short-term leases	(18.73)
Exemption of commitments for leases of low value assets	(0.32)
Undiscounted future lease payments from operating leases	602.05
Effect of discounting	(126.01)
Total lease liability recognised as of 1st January 2020	476.04

- b) The above approach has resulted in recognition of below category wise right to use assets

Particulars	₹ in crore
	As at 1st January 2020
Leasehold lease	89.97
Building and installation	13.54
Plant and Equipment	56.45
Ships and tugs	315.64
Furniture, vehicle and tools	0.44
Total	476.04

- c) The Group has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments. The Group has reclassified these assets from Property, Plant and Equipment and other non-current assets to Right of Use Assets pursuant to adoption of Ind AS 116.

Particulars	As at 1st January 2020		
	Gross carrying Value	Accumulated Depreciation	Net carrying value
Property, Plant and Equipment	72.04	2.87	69.17
Other non-current Assets	33.94	-	33.94
Total	105.98	2.87	103.11

- d) The weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of 1st January 2020 is based on the Group's Portfolio of leases. Weighted Average Repayment Maturity (WARM) is calculated for each lease and discount rate is used based on the term of derived for repayment. Below is the range of Incremental Borrowing rate used to calculate the present value of the lease.

	WARM for lease contracts in	
	₹	USD
0 to 2 years	8.35%	4.53%
3 to 4 years	8.35%	4.53%
5 to 6 years	8.44%	4.61%
7 to 8 years	8.66%	4.84%
> 8 years	8.66%	4.84%

ACC Limited, the subsidiary has used the weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of 1st January 2020 is based on the it's Portfolio of leases and equals 8.50 percent.

Notes to Consolidated Financial Statements

Note 53 - Leases

B) Disclosure for the year ended 31st December 2020 as per Ind AS 116:

a) Group as lessee

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

b) The effect of implementing Standard in the Statement of Profit and Loss is as under

Particulars	₹ in crore
	For the year ended 31st December, 2020
Decrease in expenses	
Freight and forwarding expense	37.57
Rent expenses (included in other expenses)	35.95
	73.52
Increase in expenses	
Depreciation and amortisation expense	61.87
Finance costs	26.61
Foreign exchange (gain)/loss (included in other expenses)	6.93
	95.41

c) The Group has a ship lease arrangement for one of its vessel. For the purpose of determining the lease payment it is calculated in USD as per the terms of the contract.

d) The operating cash outflow for the year ended 31st December 2020 has increased by ₹ 67.66 crore. and the financing cashflows have decreased by ₹ 67.66 crore as repayment of lease liability and interest portion of lease payment.

Commitments for leases not yet commenced as at 31st December 2020 is ₹ 37.80 crore towards leasehold lands for a lease term of 30 years.

e) The movement in lease liabilities during the year ended 31st December 2020 is as follows:

Particulars	₹ in crore
Balance at the 1st January 2020	476.04
Additions during the year	8.55
Finance cost accrued during the period	26.61
Lease Modification	(7.64)
Payment of lease liabilities	(67.66)
Unrealised loss	6.93
Termination of lease contracts	(15.83)
Balance at December 31, 2020	427.00
Current	46.38
Non-current	380.62
Total	427.00

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

Particulars	₹ in crore
	For the year ended 31st December 2020
Expense relating to short-term leases and low-value assets	107.01
Expense in respect of variable lease payments	28.40
Total	135.41

g) The maturity analysis of lease liabilities are disclosed in Note 56 (C) - Liquidity risk

Notes to Consolidated Financial Statements

Note 53 - Leases

C) Operating Lease Disclosures under earlier Ind AS 17

Operating lease commitments — Group as lessee

- 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 to ₹ 35.55 crore is included in other non current / current assets, as applicable.
- Operating lease payment of ₹ 191.25 crore recognised in the Statement of Profit and Loss for the year ended 31st December 2019.
- The lease payments recognised in the statement of profit and loss under freight and forwarding expense on finished products for the year ended 31st December 2019 amounts to ₹ 26.99 crore.
- Future minimum rental payables under non-cancellable operating leases are as follows:**

Particulars	₹ in crore
	As at 31.12.2019
Not later than one year	75.19
Later than one year and not later than five years	182.71
Later than five years	161.36
Total	419.26

Note 54 - Related party disclosure

I) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
1	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
2	Holderfin B.V, Netherlands	Intermediate Holding Company
3	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
1	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
2	Holcim Technology Limited, Switzerland	Fellow Subsidiary
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	Holcim (US) Inc	Fellow Subsidiary
5	LafargeHolcim Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	Fellow Subsidiary
6	PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
7	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
8	Holcim Cement (Bangladesh) Limited, Bangladesh	Fellow Subsidiary
9	Holcim (Romania) S.A., Romania	Fellow Subsidiary
10	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
11	Lafarge Zambia PLC, Zambia	Fellow Subsidiary
12	LafargeHolcim Building Materials (China) Limited	Fellow Subsidiary
13	Lafarge Holcim Global Hub Services Private Limited	Fellow Subsidiary
14	Lafarge SA, France	Fellow Subsidiary
15	Lafarge Africa PLC, Nigeria	Fellow Subsidiary
16	Lafarge Umiam Mining Private Limited	Fellow Subsidiary
17	Holcim (Australia) Pty Ltd	Fellow Subsidiary

Notes to Consolidated Financial Statements

Note 54 - Related party disclosure

Sr	Name	Nature of Relationship
18	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
19	Lafarge International Services Singapore Pte Ltd	Fellow Subsidiary
20	Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
21	Counto Microfine Products Private Limited	Joint Venture
22	Aakaash Manufacturing Company Private Limited	Associate of Subsidiary
23	Alcon Cement Company Private Limited	Associate of Subsidiary
24	Asian Concretes and Cements Private Limited	Associate of Subsidiary
25	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
26	Ambuja Cements Limited Employees Gratuity Fund Trust	Trust (Post-employment benefit plan)
27	The Provident Fund of ACC Limited	Trust (Post-employment benefit plan)
28	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
1	Mr. N.S. Sekhsaria	Principal Founder, Non Executive Chairman, Non Independent Director
2	Mr. Jan Jenisch	Vice Chairman, Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director
3	Mr. Martin Kriegner	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director
4	Mr. Christof Hassig	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director
5	Mr. B. L. Taparia	Non Executive Director (upto 29th March 2019)
6	Mr. Nasser Munjee	Non Executive, Independent Director
7	Mr. Rajendra P. Chitale	Non Executive, Independent Director
8	Mr. Shailesh Haribhakti	Non Executive, Independent Director
9	Dr. Omkar Goswami	Non Executive, Independent Director
10	Mr. Haigreve Khaitan	Independent Director (upto 31st March 2019)
11	Mr. Roland Kohler	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director (upto 10th December 2020)
12	Mr. Ramanathan Muthu	Non Executive Promoter Director representing LafargeHolcim Limited, Switzerland, Non Independent Director (with effect from 23rd December 2020)
13	Ms. Then Hwee Tan	Non Executive, Non Independent Director (with effect from 18th February 2019)
14	Mr. Mahendra Kumar Sharma	Non Executive, Non Independent Director (with effect from 1st April 2019)
15	Ms. Shikha Sharma	Non Executive, Independent Director (with effect from 1st April 2019)
16	Mr. Ranjit Shahani	Non Executive, Non Independent Director (with effect from 1st April 2019)
17	Mr. Praveen Kumar Molri	Non Executive, Non Independent Director (with effect from 1st April 2019)
18	Mr. Ajay Kapur	Managing Director & Chief Executive Officer (upto 28th February 2019)
19	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (with effect from 1st March 2019 to 20th February 2020)
20	Mr. Neeraj Akhoury	Managing Director & Chief Executive Officer (with effect from 21st February 2020)
21	Mr. Suresh Joshi	Chief Financial Officer (upto 30th April 2019)
22	Ms. Sonal Shrivastava	Chief Financial Officer (with effect from 1st May 2019 to 31st August 2020)
23	Ms. Rajani Kesari	Chief Financial Officer (with effect from 1st September 2020)
24	Mr. Rajiv Gandhi	Company Secretary

Notes to Consolidated Financial Statements

Note 54 - Related party disclosure

II) Transactions with related party

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
A) Transactions with fellow subsidiaries during the year		
1 Purchase of goods		
LafargeHolcim Energy Solutions S.A.S., France	435.58	520.09
2 Purchase of Fixed Assets		
Holcim (US) Inc	-	97.58
3 Sale of Fixed Assets		
Holcim Services (South Asia) Limited	0.01	-
4 Receiving of services		
Holcim Group Services Limited, Switzerland	1.89	1.40
Holcim Technology Limited, Switzerland	241.02	267.11
Holcim Services (South Asia) Limited	102.51	115.61
Lafarge SA, France	0.66	2.79
Lafarge Holcim Global Hub Services Private Limited	20.77	-
	366.85	386.91
5 Rendering of services		
Holcim Group Services Limited, Switzerland	-	0.05
Holcim Technology Limited, Switzerland	0.63	-
Lafarge Zambia PLC, Zambia	-	0.02
Holcim Services (South Asia) Limited	12.10	11.60
Lafarge Holcim Global Hub Services Private Limited	6.17	0.83
Lafarge SA, France	0.79	1.72
	19.69	14.22
6 Other recoveries		
Holcim Technology Limited, Switzerland	1.93	0.44
LafargeHolcim Energy Solutions S.A.S., France	1.09	0.93
LafargeHolcim Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	-	1.92
Holcim (Australia) Pty Ltd	0.08	-
Lafarge Africa PLC, Nigeria	0.01	0.16
LafargeHolcim Bangladesh Ltd, Bangladesh	-	0.02
Holcim Philippines, Inc., Philippines	0.14	-
Lafarge Umiam Mining Private Limited	0.17	-
Lafarge Holcim Global Hub Services Private Limited	0.19	-
	3.61	3.47
7 Other payments		
LafargeHolcim Energy Solutions S.A.S., France	3.48	3.97
Holcim Technology Limited, Switzerland	0.86	1.99
LafargeHolcim Building Materials (China) Limited	-	0.04
Lafarge International Services Singapore Pte Ltd	1.47	-
Holcim Group Services Limited, Switzerland	0.03	-
	5.84	6.00
8 Expense recognised in respect of doubtful debts		
Holcim Technology Limited, Switzerland	1.45	-
LafargeHolcim Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	0.13	-
PT Holcim Indonesia Tbk., Indonesia	0.15	-
	1.73	-

Notes to Consolidated Financial Statements

Note 54 - Related party disclosure

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
B) Outstanding balances with fellow subsidiaries		
1 Amount receivable at the year end		
Holcim Cement (Bangladesh) Limited, Bangladesh	-	0.01
PT Holcim Indonesia Tbk., Indonesia	-	0.15
Holcim Technology Limited, Switzerland	0.21	3.37
LafargeHolcim Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	-	0.13
LafargeHolcim Bangladesh Ltd, Bangladesh	0.02	0.03
Lafarge SA, France	0.03	2.22
Lafarge Holcim Global Hub Services Private Limited	8.36	0.08
Holcim Services (South Asia) Limited	7.26	6.60
	15.88	12.59
2 Amount payable at the year end		
Holcim Technology Limited, Switzerland	54.27	65.20
Holcim Services (South Asia) Limited	11.18	33.43
Holcim (Romania) S.A., Romania	-	0.03
Holcim Group Services Limited, Switzerland	0.85	0.95
LafargeHolcim Energy Solutions S.A.S., France	4.16	36.10
Lafarge SA, France	0.17	-
Lafarge Holcim Global Hub Services Private Limited	2.03	-
Lafarge International Services Singapore Pte Ltd	1.47	-
	74.13	135.71

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
C) Transactions with holding company		
1 Dividend paid		
Holderind Investments Limited, Mauritius	2,330.12	199.75
2 Other Recoveries		
LafargeHolcim Limited, Switzerland	-	0.03

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
D) Outstanding balances with holding company		
1 Amount receivable at the year end		
LafargeHolcim Limited, Switzerland	-	0.03

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
E) Transactions with associates		
1 Purchase of goods		
Alcon Cement Company Private Limited	47.77	68.46
Asian Concretes and Cements Private Limited	4.87	11.19
	52.64	79.65
2 Sale of goods		
Alcon Cement Company Private Limited	14.18	20.78
Asian Fine Cement Private Limited	1.50	-
	15.68	20.78
3 Receiving of services		
Asian Concretes and Cements Private Limited	62.10	107.60

Notes to Consolidated Financial Statements

Note 54 - Related party disclosure

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
4 Other recoveries		
Alcon Cement Company Private Limited	11.24	13.47
5 Other payments		
Alcon Cement Company Private Limited	0.14	1.67
Asian Concretes and Cements Private Limited	2.24	0.55
	2.38	2.22
6 Dividend received		
Alcon Cement Company Private Limited	0.29	0.37

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
F) Outstanding balances with associate company		
1 Amount receivable at the year end		
Alcon Cement Company Private Limited	6.39	6.81
2 Amount payable at the year end		
Alcon Cement Company Private Limited	6.09	3.11
Asian Concretes and Cements Private Limited	6.16	14.69
Asian Fine Cement Private Limited	0.50	-
	12.75	17.80

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
G) Transactions with joint ventures		
1 Rendering of services		
Counto Microfine Products Private Limited	3.53	2.62
2 Dividend Received		
Counto Microfine Products Private Limited	2.50	1.66
Aakaash Manufacturing Company Private Limited	-	1.32
	2.50	2.98
3 Purchase of Goods		
Counto Microfine Products Private Limited	0.21	1.11
Aakaash Manufacturing Company Private Limited	86.59	100.86
	86.80	101.97
4 Sale of goods		
Counto Microfine Products Private Limited	0.03	0.11
Aakaash Manufacturing Company Private Limited	8.00	12.52
	8.03	12.63
5 Other recoveries		
Aakaash Manufacturing Company Private Limited	-	2.82
	-	2.82
6 Other Payments		
Aakaash Manufacturing Company Private Limited	1.22	-
7 Buy back of shares		
Counto Microfine Products Private Limited	2.25	-

Notes to Consolidated Financial Statements

Note 54 - Related party disclosure

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
H) Outstanding balances with joint ventures		
1 Amount receivable at the year end		
Counto Microfine Products Private Limited	-	0.81
Aakaash Manufacturing Company Private Limited	1.59	0.96
	1.59	1.77
2 Amount payable at the year end		
Counto Microfine Products Private Limited	0.04	0.20
Aakaash Manufacturing Company Private Limited	20.64	14.06
	20.68	14.26

I) Transactions with Key Management Personnel

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
1 Remuneration (Refer Note (a) below)		
Mr. Neeraj Akhoury	6.17	-
Mr. Bimlendra Jha	11.42	6.49
Mr. Ajay Kapur	-	7.19
Mr. Suresh Joshi	-	0.93
Ms. Sonal Shrivastava	1.94	1.30
Ms. Rajani Kesari	1.18	-
Mr. Rajiv Gandhi	1.24	0.98
	21.95	16.89
2 Break-up of remuneration		
Short term employment benefit	21.20	10.57
Post employment benefits	0.44	3.73
Other long term benefits	0.16	2.53
Employee share based payments (Refer Note 64)	0.15	0.06
	21.95	16.89
3 Commission, sitting fees, advisory fees and other reimbursement		
Mr. N.S. Sekhsaria	0.56	0.54
Mr. Martin Kriegner (Refer Note (e) below)	-	-
Mr. Christof Hassig	0.26	0.22
Mr. Nasser Munjee	0.47	0.42
Mr. Rajendra P. Chitale	0.57	0.54
Mr. Shailesh Haribhakti	0.47	0.43
Dr. Omkar Goswami	0.44	0.41
Mr. Haigreve Khaitan	-	0.10
Mr. Jan Jenisch	0.23	0.22
Mr. Roland Kohler	0.24	0.22
Ms. Then Hwee Tan	0.42	0.35
Mr. Mahendra Kumar Sharma	0.26	0.17
Ms. Shikha Sharma	0.44	0.31
Mr. Ranjit Shahani	0.26	0.18
Mr. Praveen Kumar Molri	0.25	0.17
Mr. B.L. Taparia	-	0.17
Mr. Ramanathan Muthu	0.01	-
	4.88	4.45
Total	26.83	21.34

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.

Notes to Consolidated Financial Statements

Note 54 - Related party disclosure

- ii) Performance incentive for respective years, pending finalisation. Current year includes performance bonus related to performance of previous year except for Mr. Bimlendra Jha who has resigned during the year and his performance incentive has been paid.
- 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 ₹ 4.55 crore (previous year - ₹ 6.57 crore) to “Ambuja Cements Limited Staff Provident Fund” and ₹ 24.31 crore (previous year - ₹ 25.64 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 ₹ 29 crore (previous year - ₹ 5.80 crore) towards “Ambuja Cements Limited Employees Gratuity Fund Trust” and ₹ 25 crore (previous year - ₹ 0.80 crore) “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 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

Particulars	Notes	₹ in crore			
		As at 31.12.2020		As at 31.12.2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
a) Measured at amortised cost					
Trade Receivables	16	561.13	561.13	1,068.56	1,068.56
Loans	12, 19	274.34	274.34	240.91	240.91
Investments in bonds	10	3.70	3.70	3.70	3.70
Cash and cash equivalents - certificates of deposits	17	-	-	1,242.98	1,242.98
Cash and cash equivalents - others	17	7,881.62	7,881.62	6,357.65	6,357.65
Bank balances other than cash and cash equivalents	18	364.07	364.07	342.67	342.67
Other financial assets	13, 20	1,530.44	1,530.44	1,338.30	1,338.30
Total financial assets at amortised cost		10,615.30	10,615.30	10,594.77	10,594.77
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investment in liquid mutual funds	17	689.94	689.94	1,411.25	1,411.25
Investment in unquoted equity instruments	10	9.00	9.00	-	-
Total financial assets at fair value through the statement of profit and loss (FVTPL)		698.94	698.94	1,411.25	1,411.25
Total financial assets (a+b)		11,314.24	11,314.24	12,006.02	12,006.02
Financial liabilities					
a) Measured at amortised cost					
Trade payables	34	2,213.41	2,213.41	2,332.88	2,332.88
Other financial liabilities	28, 35	2,173.49	2,173.49	1,720.16	1,720.16
Interest free loan from State Government	27	43.60	43.60	35.28	35.28
Total financial liabilities at amortised cost		4,430.50	4,430.50	4,088.32	4,088.32
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	35	1.32	1.32	0.09	0.09
Total financial liabilities (a+b)		4,431.82	4,431.82	4,088.41	4,088.41

Notes to Consolidated Financial Statements

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 Consolidated Statement of Profit and Loss are as follows:

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Financial assets measured at amortised cost		
Interest income	383.15	376.84
Impairment losses on trade receivables (including reversals of impairment losses)	51.14	27.64
Expected credit loss on Incentive under Government Schemes	128.92	-
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	26.65	49.48
Net gain on fair valuation of liquid mutual fund	0.47	3.17
Financial liabilities measured at amortised cost		
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	11.68	0.18
Interest expenses on deposits from dealers	32.48	58.70
Interest expense on lease liability	26.61	-
Financial liabilities measured at fair value through profit or loss		
Net Loss of on foreign currency forward contract	1.61	(0.81)
Net gain recognised in Consolidated Statement of Profit and Loss	517.95	399.06

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.

Notes to Consolidated Financial Statements

Note 55 - Financial instruments

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 31.12.2020	As at 31.12.2019	Level	Valuation techniques and key inputs
₹ in crore					
Financial assets					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	17	689.94	1,411.25	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)	10	9.00	-	3	Using discounted cash flow method.
Financial liabilities					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	35	1.32	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 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 56 - 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.

Notes to Consolidated Financial Statements

Note 56 - Financial risk management objectives and policies

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 rate exposure

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Interest bearing		
Security deposit from dealers (Refer Note 35)	1,197.02	1,148.00
Non-interest bearing		
Current maturities of non-current borrowings (Refer Note 35)	-	5.78
Borrowings - Interest free sales tax loan (Refer Note 27)	43.60	35.28
Total	1,240.62	1,189.06
Interest rate sensitivities for unhedged exposure (Refer Note (a) below)		
Security deposit from dealers		
Impact of increase in 100 bps would decrease profit by	11.97	11.48
Impact of decrease in 100 bps would increase profit by	(11.97)	(11.48)

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 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.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2020		As at 31.12.2019	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other financial liabilities (Unhedged)				
CHF	0.19	0.00	3.30	0.04
EURO	7.88	0.09	5.37	0.07
GBP	0.06	0.00	0.23	-
JPY	0.20	0.28	0.29	0.44
SEK	0.34	0.04	0.82	0.11
SGD	0.01	-	-	-
USD	153.12	2.11	15.03	0.22
Total	161.80		25.04	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports and services (Refer Note (a) below)	167.71	2.26	36.21	0.50

Note:

a) This does not include the firm commitment.

Notes to Consolidated Financial Statements

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 31.12.2020		As at 31.12.2019	
	1% strengthening of ₹	1% weakening of ₹	1% strengthening of ₹	1% weakening of ₹
Trade payable and other financial liabilities (Unhedged)				
CHF	-	-	0.04	(0.04)
EURO	0.08	(0.08)	0.05	(0.05)
GBP	-	-	-	-
JPY	-	-	0.42	(0.42)
SEK	-	-	0.02	(0.02)
SGD	-	-	-	-
USD	1.53	(1.53)	0.17	(0.17)
Increase / (Decrease) in profit	1.61	(1.61)	0.70	(0.70)

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 Group 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 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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Trade receivables (Refer Note 16)	91.40	51.44
Financial assets other than trade receivables		
Receivables which have significant increase in credit risk (Refer Note 12 and 20)	39.13	32.69
Long-term loans to joint operation (Refer Note 12)	1.04	0.98
	40.17	33.67
Total	131.57	85.11

Financial assets other than trade receivables

The exposure to the Group arising out of this category consists 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.

Total non-current investments (other than subsidiaries and joint venture) and investments in liquid mutual funds as on 31st December 2020 are ₹ 12.70 crore and ₹ 689.94 crore (31st December 2019 - ₹ 3.70 crore and ₹ 1,411.25 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.

Notes to Consolidated Financial Statements

Note 56 - Financial risk management objectives and policies

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

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

ACC is confident about the ultimate realization of the dues from the State Governments and there is no risk of default.

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	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Up to 6 months	538.49	1,020.61
More than 6 months	114.04	99.39
Total	652.53	1,120.00
Impaired	(91.40)	(51.44)
Total	561.13	1,068.56

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.

Movement in expected credit loss allowance of trade receivable

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balance at the beginning of the year	51.44	28.83
Add: provided during the year	54.89	30.47
Less: amounts utilised	11.18	5.03
Less: reversal of provisions	3.75	2.83
Balance at the end of the year	91.40	51.44

Movement in expected credit loss allowance of financial assets

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Balance at the beginning of the year	33.67	23.48
Add: provided during the year	6.50	10.19
Balance at the end of the year	40.17	33.67

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

Notes to Consolidated Financial Statements

Note 56 - Financial risk management objectives and policies

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 at the reporting date based on undiscounted contractual payments.

Particulars	Carrying amount	Contractual maturities			Total
		Less than 1 year	1 - 5 Years	More than 5 year	
₹ in crore					
As at 31st December 2020					
Borrowings	43.60	-	49.75	8.47	58.22
Lease Liability	427.00	68.66	260.92	213.47	543.05
Trade payables	2,213.41	2,213.41	-	-	2,213.41
Other financial liabilities (Refer Note (a) below)	1,747.81	1,747.68	0.13	-	1,747.81
Total	4,431.82	4,029.75	310.80	221.94	4,562.49
As at 31st December 2019					
Borrowings	41.06	5.86	28.22	21.54	55.62
Trade payables	2,332.88	2,332.88	-	-	2,332.88
Other financial liabilities (Refer Note (a) below)	1,714.47	1,713.85	0.62	-	1,714.47
Total	4,088.41	4,052.59	28.84	21.54	4,102.97

Note:

- a) Other financial liabilities includes deposits received from customers amounting to ₹ 1,197.02 crore (previous year - ₹ 1,148.00 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 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 principal business. The Executive Committee of the Group, 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 of India (country of domicile) and others (outside India).

	Revenues from customers		Non-current assets (Refer Note (a) below)	
	For the year ended 31st December 2020	For the year ended 31st December 2019	As at 31st December 2020	As at 31st December 2019
	₹ in crore			
a) Within India	24,089.10	26,536.90	25,349.29	24,659.29
b) Outside India (Refer Note (b) below)	4.76	1.72	-	-
Total	24,093.86	26,538.62	25,349.29	24,659.29

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 2020 and 31st December 2019, there is no single customer contributes 10% or more to the Group's revenue.

Notes to Consolidated Financial Statements

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	As at 31st December 2020 %	As at 31st December 2019 %
Direct joint venture		
Counto Microfine Products Private Limited	50.00%	50.00%
Joint venture of a subsidiary		
Akaash Manufacturing Company Private Limited	40.00%	40.00%

Aggregate information of joint ventures that are not individually material

Particulars	₹ in crore	
	As at 31st December 2020	As at 31st December 2019
The Group's share of profit / (loss) from continuing operations	5.53	7.00
The Group's share of other comprehensive income	(0.03)	(0.06)
The Group's share of total comprehensive income	5.50	6.94
The carrying amount of the investment	43.02	42.89

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	As at 31st December 2020 %	As at 31st December 2019 %
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	₹ in crore	
	As at 31st December 2020	As at 31st December 2019
The Group's share of profit / (loss) from continuing operations	8.91	12.97
The Group's share of other comprehensive income	(0.02)	(0.06)
The Group's share of total comprehensive income	8.89	12.91
The carrying amount of the investment	111.58	102.98

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 ACC Limited is given below:

a) Proportion of equity interest held by non-controlling interest

Name of the Company	Principal place of business	₹ in crore	
		As at 31.12.2020	As at 31.12.2019
ACC Limited	India	49.95%	49.95%

Notes to Consolidated Financial Statements

Note 59 - Financial information in respect of material partly-owned subsidiary

b) Summarised financial information of ACC Limited

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
i) Non-controlling interest in ACC Limited		
Total comprehensive income allocated to non-controlling interest	734.52	663.05
Accumulated balances of non-controlling interest	6,336.90	5,732.35
ii) Summarised Balance Sheet of ACC Limited		
Non-current assets	9,751.60	9,601.41
Current assets	8,448.63	7,534.57
	18,200.23	17,135.98
Non-current liabilities	693.60	890.82
Current liabilities	4,804.26	4,698.23
Non-controlling interest of ACC Limited	3.24	3.16
	5,501.10	5,592.21
Equity attributable to owners of the parent	12,699.13	11,543.77
iii) Dividends paid to non-controlling interest	131.32	131.32

iv) Summarised Statement of Profit and Loss of ACC Limited

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Income	14,002.72	15,975.98
Expenses		
Cost of materials consumed	1,673.21	2,256.39
Purchase of stock-in-trade	696.89	361.69
Changes in inventories of finished goods, work-in progress and stock-in-trade	142.41	100.82
Employee benefits expense	841.21	866.11
Finance costs	57.08	86.27
Depreciation and amortisation expense	638.84	606.44
Power and fuel	2,574.65	3,134.01
Freight and forwarding expense	3,416.09	4,032.09
Other expenses	2,086.41	2,493.66
Total expenses	12,126.79	13,937.48
Profit before share of profit of associates and joint ventures, exceptional items and tax expenses	1,875.93	2,038.50
Share of profit of associates	8.93	14.02
Profit before exceptional items and tax expenses	1,884.86	2,052.52
Exceptional items	176.01	-
Profit before tax	1,708.85	2,052.52
Tax expense	278.59	674.98
Profit for the year	1,430.26	1,377.54
Other Comprehensive Income	(14.58)	(49.23)
Total comprehensive income	1,415.68	1,328.31
Profit attributable to owners of the company	1,430.18	1,377.41
Profit attributable to non-controlling interest	0.08	0.13
Total comprehensive income attributable to owners of the company	1,415.60	1,328.18
Total comprehensive income attributable to non-controlling interest	0.08	0.13
v) Summarised Cash Flow Statement of ACC Limited		
Cash flow from Operating activities	2,219.19	2,254.71
Cash used in Investing activities	(535.15)	(321.66)
Cash used in Financing activities	(327.36)	(374.16)
Net increase in cash and cash equivalents	1,356.68	1,558.89

Notes to Consolidated Financial Statements

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	2020	20,315.86	69.82%	1,790.10	57.62%	(6.97)	32.24%	1,783.13	57.80%
	2019	22,205.18	74.48%	1,528.54	54.92%	(4.39)	8.18%	1,524.15	55.84%
Subsidiaries - Indian									
ACC Limited (Standalone)	2020	12,661.44	43.51%	1,414.94	45.54%	(14.54)	67.25%	1,400.40	45.39%
	2019	11,521.28	38.64%	1,358.91	48.83%	(48.98)	91.24%	1,309.93	47.99%
M.G.T. Cements Private Limited	2020	(0.01)	0.00%	-	0.00%	-	0.00%	-	0.00%
	2019	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Chemical Limes Mundwa Private Limited	2020	0.01	0.00%	(0.20)	-0.01%	-	0.00%	(0.20)	-0.01%
	2019	0.19	0.00%	(0.29)	-0.01%	-	0.00%	(0.29)	-0.01%
Dirk India Private Limited	2020	(33.68)	-0.12%	(1.03)	-0.03%	(0.06)	0.28%	(1.09)	-0.04%
	2019	(32.59)	-0.11%	(0.52)	-0.02%	0.10	-0.19%	(0.42)	-0.02%
OneIndia BSC Private Limited (Refer Note 11 (b))	2020	13.08	0.04%	(1.29)	-0.04%	-	0.00%	(1.29)	-0.04%
	2019	14.37	0.05%	2.58	0.09%	(0.29)	0.54%	2.29	0.08%
Subsidiaries - Foreign									
Dang Cement Industries Private Limited	2020	-	0.00%	(0.92)	-0.03%	-	0.00%	(0.92)	-0.03%
	2019	-	0.00%	(0.61)	-0.02%	-	0.00%	(0.61)	-0.02%
Subsidiaries of Subsidiary - Indian									
Bulk Cement Corporation (India) Limited	2020	59.32	0.20%	1.58	0.05%	-	0.00%	1.58	0.05%
	2019	57.74	0.19%	2.42	0.09%	-	0.00%	2.42	0.09%
ACC Mineral Resources Limited	2020	84.55	0.29%	2.89	0.09%	-	0.00%	2.89	0.09%
	2019	81.66	0.27%	6.94	0.25%	-	0.00%	6.94	0.25%
Lucky Minmat Limited	2020	(2.49)	-0.01%	(0.50)	-0.02%	-	0.00%	(0.50)	-0.02%
	2019	(1.99)	-0.01%	(0.48)	-0.02%	-	0.00%	(0.48)	-0.02%
National Limestone Company Private Limited (Refer Note 63 (a))	2020	-	0.00%	1.64	0.05%	-	0.00%	1.64	0.05%
	2019	0.06	0.00%	(0.39)	-0.01%	-	0.00%	(0.39)	-0.01%
Singhania Minerals Private Limited	2020	(0.96)	0.00%	(0.61)	-0.02%	-	0.00%	(0.61)	-0.02%
	2019	(0.35)	0.00%	0.05	0.00%	-	0.00%	0.05	0.00%
Non-controlling interest in all subsidiaries	2020	6,340.89	21.79%	741.40	23.86%	(7.28)	33.67%	734.12	23.79%
	2019	5,736.76	19.24%	688.16	24.73%	(24.59)	45.81%	663.57	24.31%
Joint ventures - Indian (accounted for using equity method)									
Counto Microfine Products Private Limited	2020	30.45	0.10%	4.87	0.16%	(0.01)	0.05%	4.86	0.16%
	2019	30.96	0.10%	7.24	0.26%	(0.01)	0.02%	7.23	0.26%
Aakaash Manufacturing Company Private Limited	2020	12.57	0.04%	0.67	0.02%	(0.02)	0.09%	0.65	0.02%
	2019	7.44	0.02%	(0.24)	-0.01%	(0.05)	0.09%	(0.29)	-0.01%
Associates of subsidiary - Indian (accounted for using equity method)									
Alcon Cement Company Private Limited	2020	18.66	0.06%	0.31	0.01%	(0.02)	0.09%	0.29	0.01%
	2019	5.73	0.02%	0.98	0.04%	(0.06)	0.11%	0.92	0.03%
Asian Concretes and Cements Private Limited	2020	92.92	0.32%	8.60	0.28%	-	0.00%	8.60	0.28%
	2019	80.52	0.27%	11.99	0.43%	-	0.00%	11.99	0.44%
Adjustments on consolidation	2020	(10,494.12)	-36.06%	(855.61)	-27.54%	7.28	-33.67%	(848.33)	-27.50%
	2019	(9,892.20)	-33.18%	(822.11)	-29.54%	24.59	-45.81%	(797.52)	-29.22%
Total equity	2020	29,098.49	100.00%	3,106.84	100.00%	(21.62)	100.00%	3,085.22	100.00%
	2019	29,814.75	100.00%	2,783.16	100.00%	(53.68)	100.00%	2,729.48	100.00%

Note:

The above figures are before eliminating intra group transactions and intra group balances.

Notes to Consolidated Financial Statements

Note 61 - Goodwill on Consolidation

Particulars	₹ in crore	
	As at 31.12.2020	As at 31.12.2019
Carrying amount as at beginning of the year	7,881.49	7,881.49
Impairment during the year (Refer Note 63 (a))	5.38	-
Net carrying value as at end of the year	7,876.11	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)	7,852.92	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	7,876.11	7,881.49

Notes:

- 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.
- Based on the Group's assessment there is no impairment of goodwill.

Note 62 - 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 24th 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 reimbursement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.

Note 63 - Notes related to Material subsidiary, ACC Limited

- ACC Limited, a subsidiary of the Company, divested 200,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated 18th November 2020. The Group has received the entire consideration amount of ₹ 20 crore and the necessary instructions have been lodged with the depository to transfer the shares to the acquirer in accordance with the provisions of the Companies Act, 2013 and Security and Exchange Board of India Regulations. Further the Company's nominee directors stepped down from NLCPL Board allowing reconstitution of the Board by the acquirers. With the completion of the sale formalities and ceding of control, NLCPL has ceased to be the ACC Limited's subsidiary. The Group has, therefore, accounted for ₹ 12.91 crore as profit arising from divestment accordingly.
- ACC Limited, a subsidiary of the Company successfully commissioned a new Grinding Unit with a cement capacity of 1.4 MTPA on 2nd January 2021 at Sindri, in the State of Jharkhand which will further strengthen our positioning in the eastern region.
- 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 ₹ 11.08 crore (31st December 2019 ₹ 16.24 crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease. (Refer Note 53)

Notes to Consolidated Financial Statements

- d) 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 ₹ 73.18 crore (31st December 2019 ₹ 85.34 crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

Note 64 - Share Based Payment

a) 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 for their contribution to the continuing success of the business. These shares will be delivered after three year vesting period following the grant date and are subject to internal performance conditions. 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).

- b) During the year, 13,800 (Previous year - 15,000) performance share at fair value of ₹ 3,352 per share (previous year - ₹ 3,405 per share) were granted and ₹ 3.66 crore (previous year – ₹ 1.16 crore) is charged to the Consolidated Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding credit to the capital contribution from parent under other equity.

- c) Information related to the Performance Share Plan granted is presented below (in number)

Particulars	₹ in crore	
	For the year ended 31st December 2020	For the year ended 31st December 2019
Opening Balance as at 1st January	15,000	-
Granted during the year	13,800	15,000
Alloted during the year	-	-
Forfeited during the year	(2,400)	-
Closing balance as at 31st December	26,400	15,000

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

Note 65 - Risk due to outbreak of COVID-19 pandemic

The Group has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Group has, at the date of approval of the consolidated financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of the same.

Notes to Consolidated Financial Statements

Note 66 - Code on social Security, 2020

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

Note 67 - The CCI has initiated an investigation against cement companies in India including the Company and its subsidiary, ACC Limited regarding alleged anti-competitive behavior and conducted search and seizure operations in December 2020 against few companies. The Company and its subsidiary, ACC Limited, are in the process of providing information sought. The Company and its subsidiary, ACC Limited, are of the firm view that they have acted and continue to act in compliance with competition laws. Both the companies believe that this does not have any impact on the consolidated financial statement.

Note 68 - Figures below ₹ 50,000 have not been disclosed.

Note 69 - 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 Consolidated Financial Statements

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Mumbai, 18th February 2021

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 of the 38th Annual General Meeting

NOTICE is hereby given that the THIRTY EIGHTH ANNUAL GENERAL MEETING of the Members of AMBUJA CEMENTS LTD. ("the Company") is scheduled to be held on Friday, April 9, 2021 at 12.00 noon through Video Conferencing (VC)/Other Audio Visual Means(OAVM) 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 December 31, 2020, 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 December 31, 2020 and the Report of the Auditors thereon.
2. To declare Final Dividend on equity shares for the financial year ended December 31, 2020.
3. To appoint a Director in place of Ms. Then Hwee Tan (DIN: 08354724), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Mahendra Kumar Sharma (DIN: 00327684), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

5. Appointment of Mr. Ramanathan Muthu (DIN: 01607274) 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 pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Ramanathan Muthu (DIN: 01607274) who was appointed a Director of the Company with effect from December 23, 2020 in the casual vacancy caused by

the resignation of Mr. Roland Kohler and who, in terms of Section 161(4) of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ramanathan Muthu as a candidate for the office of Director, be and is hereby appointed as Non-Executive, Non-Independent Director of the Company and whose period of office will be liable to determination by retirement by rotation."

"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."

6. 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 2021 at a remuneration of ₹ 9,00,000 (Rupees Nine Lakhs) 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."

Place: Mumbai
 Date: February 18, 2021

Rajiv Gandhi
 Company Secretary
 (Membership No. A11263)

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. 5 and 6 of the accompanying Notice dated February 18, 2021.

In respect of item No. 5

The Board of Directors at its meeting held on December 23, 2020, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Ramanathan Muthu as a Non-Executive, Non-Independent Director on the Board w.e.f. December 23, 2020 in the casual vacancy caused due to the resignation of Mr. Roland Kohler, Non-Executive, Non-Independent Director, w.e.f. December 10, 2020.

In accordance with Section 161(4) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate General Meeting. Since Mr. Ramanathan Muthu was appointed by the Board in the casual vacancy, Shareholders' approval is proposed at the Annual General Meeting. Notice under Section 160 of the Companies Act has been received from a Shareholder proposing the name of Mr. Ramanathan Muthu to be appointed as a Non-Executive, Non-Independent Director on the Board.

The Board, after satisfying itself that the appointment of Mr. Ramanathan Muthu will be in the interest of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends the appointment of Mr. Ramanathan Muthu as a Director, liable to retire by rotation.

The brief resume and the nature of expertise of Mr. Ramanathan Muthu is as under:

Mr. Ramanathan Muthu holds an undergraduate degree in Industrial Economics from University of Warwick, United Kingdom and is a certified chartered accountant.

Mr. Ramanathan Muthu is Global Head of Strategy for LafargeHolcim since March 2019. He is also leading the LafargeHolcim Group's Investment Committee.

Mr. Ramanathan Muthu joined the erstwhile Holcim Ltd in 2005 in the Finance and Controlling function in Zurich, before moving to work in Asia Pacific Region supporting in various strategic projects and growth investments. He took on the role of Project Manager for an Energy initiative and Manufacturing

transformation across India and South East Asia. He also served as the Executive Assistant to EXCO Member in charge of Asia Pacific working on strategic initiatives across the region before moving back to the Group where he took over the role of Head of Group CEO Office.

No Director, Key Managerial Personnel and their relatives other than Mr. Ramanathan Muthu are concerned or interested in the resolution proposing his appointment as a Non-Executive, Non-Independent Director on the Board of the Company.

In accordance with Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, Mr. Ramanathan Muthu's other particulars are given in the annexure to this notice.

The Directors are of the opinion that Mr. Ramanathan Muthu's knowledge and experience will be of benefit to the Company.

Accordingly, the Board recommends the Ordinary Resolution at item no. 5 of this Notice for the approval of the Members.

In respect of item No. 6

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 2021 at a remuneration of ₹900,000/- (Rupees Nine Lakhs) 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.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice.

Accordingly, the Board recommends the Ordinary Resolution at item no. 6 of this Notice for the approval of the Members.

By Order of the Board of Directors

Rajiv Gandhi

Company Secretary

(Membership No. A11263)

Place: Mumbai

Date: February 18, 2021

ANNEXURE TO ITEMS. 3 to 5 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	Ms. Then Hwee Tan	Mr. Mahendra Kumar Sharma	Mr. Ramanathan Muthu
DIN	08354724	00327684	01607274
Date of Birth	December 27, 1972	May 4, 1947	October 5, 1982
Nationality	Singapore	Indian	Indian
Date of Appointment on the Board	February 18, 2019	April 1, 2019	December 23, 2020
Qualifications	Master of Business Administration, USA	B.A., LLB (Lucknow University PGDPM & Diploma in law (IL, Delhi)	Undergraduate degree in Industrial Economics
Expertise in specific functional area	Human Resource, Talent Development	Legal, Compliance, M & A	Finance, Economics
Number of shares held in the Company	Nil	Nil	Nil
List of the directorships held in other companies*	Nil	i) Wipro Ltd. ii) Asian Paints Ltd. iii) United Spirits Ltd.	Nil
Number of Board Meetings attended during the year 2020	11 of 11	11 of 11	1 of 1
Chairman/ Member in the Committees of the Boards of companies in which he/she is a Director*	Nil	Chairman- i) Audit Committee- Asian Paints Ltd. ii) Administrative & Shareholders Committee- Wipro Ltd. Member – i) Audit Committee- United Spirits Ltd. ii) Audit Committee- Wipro Ltd.	Nil
Relationships between Directors inter-se	None	None	None
Terms and Conditions of Appointment	Non-Executive, Non-Independent Director, liable to retire by Rotation	Non-Executive, Non-Independent Director, liable to retire by Rotation	Non-Executive, Non-Independent Director, liable to retire by Rotation
Remuneration details (Including Sitting Fees & Commission)	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report

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

Notes:-

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 38th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
2. 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. 5 to 6 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") 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.
3. The requirement to place the matter relating to the appointment of Statutory 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 March 31, 2017.
4. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 38th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Company or upload on the VC portal / e-voting portal.
7. **Record Date:** The Record date for payment of dividend has been fixed as **Monday, March 22, 2021**.
8. **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 **Monday, March 22, 2021** as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical mode, the dividend will be paid to the shareholders, whose names shall appear in the Company's Register of Members as on **Monday, March 22, 2021**.

The final dividend will be paid on and from April 23, 2021.

9. 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.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 38th AGM and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 38th AGM and the Annual Report for the year 2020 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at: shares@ambujacement.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
11. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2020 will also be available on the Company's website www.ambujacement.com for their download. The same shall also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>. Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the 38th AGM along with the Annual Report for Financial Year 2020 are being sent by electronic mode to those Members whose E-mail addresses are registered with the DPs or the Company/LinkIntime, unless the Members have requested for a physical copy of the same.
 12. 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 electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by

the members from the date of circulation of this Notice up to the date of 38th AGM, i.e. April 9, 2021. Members seeking to inspect such documents can send an email to shares@ambujacement.com

13. Members desiring any information relating to the accounts or any other matter to be placed at the AGM, are requested to write to the Company on or before **April 5, 2021** through email on shares@ambujacement.com.
14. **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.
15. **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.
16. **Submission of PAN:** Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-
 - a) Legal Heirs'/Nominees' PAN Card for transmission of shares,
 - b) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
 - c) Joint Holders' PAN Cards for transposition of shares.
17. **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.
18. **Share Transfer permitted only in Demat:** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialise shares held by them in physical form.
19. **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).

20. **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 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
Financial 2018 (Final)	18.02.2019	29.04.2026
Financial 2019 (Interim)	12.05.2020	11.06.2027
Financial 2020 (Interim)	22.10.2020	25.10.2027

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof at least 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 December 31, 2013 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 March 31, 2021 for final dividend of F.Y. 2013 and June 30, 2021 for interim dividend of F.Y. 2014.

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.

21. **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 2020, unclaimed final dividend for the Financial year 2012 aggregating to ₹ 1,39,74,764/- and interim dividend for Financial year 2013 aggregating to ₹ 86,64,122/- and the 2,49,474 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>.

22. 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 **April 2, 2021** 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 (PRIOR TO AGM)

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The voting period begins on **Monday, April 5, 2021 at 10:00 a.m. and ends on Thursday, April 8, 2021 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of April 2, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- The Company has appointed Mr. Surendra Kanstiya Associates, Practicing Company Secretary, to act as the Scrutiniser to scrutinise the voting during the AGM 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.
- 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 and NSE, where the shares of the Company are listed.

- 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. April 2, 2021 may obtain the login details in the manner as mentioned below.

The instructions for shareholders voting electronically are as under:

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders/Member.
- Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- 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	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Details or Date of Birth (DOB)	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).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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 scrutiniser to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; shares@ambujacement.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

- (xix) 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.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

II. E-VOTING DURING THE AGM:

The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

23. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.

Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials.

The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed. Click on live streaming appearing beside the EVSN.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.

Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

System requirements for best VC experience:

Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more Microphone and speakers – built-in or USB plug-in or wireless Bluetooth

Browser: Google Chrome: Version 72 or latest Mozilla Firefox: Version 72 or latest Microsoft Edge Chromium: Version 72 or latest Safari: Version 11 or latest Internet Explorer: Not Supported

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due

to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members can post questions through Q&A feature available in the VC. Members can exercise these options once the floor is open for shareholder queries.

24. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to shares@ambujacement.com from March 25, 2021 (9:00 a.m. IST) to March 31, 2021 (5:00 p.m. IST).
25. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
26. Members who need assistance before or during the AGM, can contact CDSL by sending an email to helpdesk.evoting@cdslindia.com or call 1800225533.
27. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

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

Ms. Then Hwee Tan

Mr. Mahendra Kumar Sharma

Mr. Ranjit Shahani

Mr. Praveen Kumar Molri

Mr. Roland Kohler
(up to December 10, 2020)

Mr. Ramanathan Muthu
(w.e.f. December 23, 2020)

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

Chief Financial Officer

Ms. Rajani Kesari

Company Secretary

Mr. Rajiv Gandhi

Executive Committee

Mr. Neeraj Akhoury
Managing Director & CEO

Ms. Rajani Kesari
Chief Financial Officer

Mr. Sukuru Ramarao
Chief Manufacturing Officer

Mr. Rajiv Kumar
Chief Commercial Officer

Mr. Ashish Prasad
Chief Marketing Officer & Strategic Initiatives

Mr. Rajeev Mehta
Head of Outbound Logistics

Mr. Suresh Rathi
Head of Fuel, Raw Materials & Inbound Logistics

Mr. Manoj Chhura
Chief Procurement Officer

Mr. Rahul Maitra
Chief Human Resource Officer

Committees of the Board

Audit Committee

Mr. Rajendra P. Chitale
(Chairman)

Mr. Nasser Munjee

Ms. Shikha Sharma

Mr. Martin Kriegner

Mr. Neeraj Akhoury
Permanent Invitee

Nomination and Remuneration Committee

Mr. Nasser Munjee
(Chairman)

Mr. N. S. Sekhsaria

Mr. Martin Kriegner

Mr. Shailesh Haribhakti

Mr. Neeraj Akhoury
Permanent Invitee

Stakeholders' Relationship Committee

Mr. Ranjit Shahani
(Chairman)

Mr. Rajendra Chitale

Dr. Omkar Goswami

Mr. Neeraj Akhoury

CSR & Sustainability Committee

Mr. N. S. Sekhsaria
(Chairman)

Mr. Nasser Munjee

Mr. Rajendra Chitale

Mr. Mahendra Kumar Sharma

Mr. Martin Kriegner

Mr. Neeraj Akhoury

Mrs. Pearl Tiwari
Permanent Invitee

Risk Management Committee

Mr. Rajendra Chitale
(Chairman)

Mr. Nasser Munjee

Mr. Shailesh Haribhakti

Mr. Neeraj Akhoury

Compliance Committee

Mr. Nasser Munjee
(Chairman)

Dr. Omkar Goswami

Mr. Shailesh Haribhakti

Ms. Then Hwee Tan

Mr. Neeraj Akhoury

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

Registered office

P.O. Ambujanagar, Tal. Kodinar
Dist. Gir Somnath, Gujarat 362715.

Corporate website

www.ambujacement.com

Corporate identity number and email

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.

Telephone: (022) 4918 6000

Fax number: (022) 4918 6060

Email: rnt.helpdesk@linkintime.co.in

Ambuja Cement

Corporate Office: Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (E), Mumbai - 400059
Tel.: 022 6616 7000 / 4066 7000 | www.ambujacement.com